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TRADEMARK PUBLIC ADVISORY COMMITTEE MEETING
PUBLIC SESSION

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ANDERSON COURT REPORTING
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1 P R O C E E D I N G S

2 (11:04 a.m.)

3 MR. SAMUELS: The agenda has been
4 published, and notice of the meeting has been
5 properly given. First thing I wanted to do was
6 introduce our three new members of the T-PAC who
7 are with us today. We have Ayala Deutsch who is
8 Vice President and Senior Intellectual Property
9 Counsel at NBA Properties; Van Leichliter,
10 Intellectual Property Leader and Corporate
11 Counsel/Trademarks at du Pont, and Al Tramposch,
12 Director of Trademark Registry Services at the
13 Morgan Lewis and Bockius Firm in Washington, D.C.
14 We welcome each of them to the T- PAC and look
15 forward to their contributions. I'll just note
16 for the record that they had their orientation
17 session this morning, and I'm glad to see that
18 they're still with us.

19 (Laughter)

20 MR. SAMUELS: I want to remind a few
21 people, remind everybody that if you wish to make
22 a comment, please raise your hand and you will be

1 recognized. And then, most importantly, press the
2 talk button on your microphone in front of you.
3 That will help with respect to the transcribing
4 the minutes of this meeting. The way we'll
5 conduct the meeting today, a little unusual in
6 that we had the orientation session for the first
7 couple of hours, is we'll first have the
8 presentation by the Commissioner of the
9 Trademarks, Lynne Beresford, giving us a status
10 report on the operations, and then we will break
11 for lunch for about a half-hour or 45 minutes.
12 And then we'll pick up with the balance of the
13 agenda. We hope to be able to adjourn at 3:30,
14 certainly no later than 4:00. I believe
15 immediately after lunch, the Director of the
16 Patent and Trademark Office, Jon Dudas, will be
17 with us to first swear in the new members, and
18 then to make some comments, and to respond to any
19 questions that anybody may have.

20 Okay, so let me turn the microphone over
21 to Commissioner Beresford.

22 MS. BERESFORD: Thank you very much.

1 Welcome returning members and welcome new members.

2 I hope this will be a very exciting and productive
3 year for the Trademark Public Advisory Committee.

4 I have a couple of announcements before
5 I start talking about the 2005 accomplishments.
6 First of all, I selected and finally filled the
7 two Deputy Commissioner for Trademark positions,
8 and I'm very happy because they have been vacant
9 for quite some time. Our new Deputy Commissioner
10 for Operations is Deborah Cohn, right back here,
11 who is very experienced and brings a lot of good
12 qualities to this job, and I really look forward
13 to working with her. And our other Deputy
14 Commissioner for Trademark Examination Policy is
15 Sharon Marsh. She has, unfortunately, had a
16 terrible tragedy in her family. Her brother was
17 killed over the weekend. So she will not be here
18 today, but I look forward to working with her,
19 too. She has a fine legal mind and is just a
20 terrific person. So those are good news for the
21 Trademark Operation and I think for the Bar.

22 Now let me talk about the end of the

1 year accomplishments.

2 (Discussion off the record)

3 MS. BERESFORD: All right, well you see
4 here the results of the measures that we report
5 publicly and measures that we think are the most
6 important ones to look at the health of the
7 operation and how well we're doing. As you see,
8 Trademark's First Action Quality, our target was
9 7.5 percent, and we actually achieved 4.7 percent
10 as a quality measurement. So, we did much better
11 than we had expected to do, and that was based on
12 a review of 2,253 First Action Letters. The Final
13 Action Number was 7.5. I'm sorry. I'm reading
14 the wrong number. The Final Action Result was 5.9
15 percent, and our target was 5 percent. So, we
16 missed it by a percentage point. And we have
17 started, about mid-year, we started looking at how
18 we could improve our Final Action Quality. And we
19 are focusing the Office of Trademark Quality
20 Review on Final Actions and on putting out exam
21 notes, and guides, and training materials that
22 target more of the issues that are in Final Action

1 Letters. And that percentage, 5.9 percent, was
2 the result of looking at 2,299 Final Action
3 Letters. So, we looked at about 4,500 examiner
4 actions this year to get our quality target, and
5 we're very happy with what's happened with the
6 First Action Target.

7 Next on the slide, we're looking at the
8 e-Government results. We have now 99.9 percent of
9 all of our trademark applications available in the
10 Trademark Document Retrieval System. There are a
11 few testy little applications that we haven't been
12 able to run down. They are either at the TTAB, or
13 they are lost, but 99.9 percent of them are
14 available in TDR.

15 And in terms of filing this year, we've
16 done I think phenomenally well. Our filing rate
17 through the year was 88 percent electronically
18 filed applications. For those of you who have
19 been looking at office stats for a while, you know
20 that when we came, when we started with electronic
21 application filing, we never thought we'd get over
22 80 percent, and we've managed to get there and

1 beyond. The last month of the fiscal year I
2 believe our filings were at 92 percent, our
3 electronic filings. Part of this I think is the
4 office's willingness to keep working on its
5 electronic application to make it better. Part of
6 it has been the introduction in July of the
7 Trademark TEAS Plus Application with a \$50 per
8 class reduced fee, which in the 10 weeks of the
9 fiscal year -- I think it's 10 weeks that we had
10 -- in the 10 weeks after we had it, constituted 22
11 percent of our electronic filings. So this really
12 has taken off like a rocket and been very, very
13 popular. One of the things I'm doing right now is
14 meeting with various law offices, and examining
15 attorneys are already talking about how the TEAS
16 Plus Form has to be approved. So, I think, stay
17 tuned; it will only get better.

18 Application filings, we predicted an 8
19 percent increase, and we had an 8.4 percent
20 increase. Karen Strohecker isn't here, but she's
21 the person who does the predicting in our office,
22 and she did a really fine job this year coming in

1 just about right on target. Examiner production,
2 she also predicts, and that too was just about as
3 we expected it to be, a little lower, I think less
4 than a percent lower than First Actions than we
5 expected, but quite a bit higher on disposals.
6 Okay, here we go, yes. Yes, two-tenths of a
7 percent less than the target on First Action.

8 Also note that we've been having a very
9 aggressive hiring program here. We hired 89
10 examining attorneys this year. At the end of the
11 fiscal year, we had 357 on board. Fourteen
12 attritions and four transfers also occurred during
13 the year. We're planning to hire another 80
14 examining attorneys next year. Given the size of
15 the examining corps, this is a very large number
16 of hires. And we've had to really take up a lot
17 of the time and effort of our Quality Office to do
18 the training. They have produced training
19 modules. They have actually done the talking head
20 type of training and have been very, very busy
21 bringing people up to speed with this amount of
22 hiring. We plan to hire 80 next year, and then

1 the following year we will start only hiring for
2 attritions. We think we'll be completely staffed
3 up. The hiring numbers, of course, are done based
4 on our estimated filing numbers. Historically,
5 filings in the Trademark Office, if you take out
6 the six years where we had what everybody refers
7 to as the dot.com boom and burst, bubble, or
8 whatever, if you take those years out, in general,
9 filings go up between 5 and 8 percent a year. So
10 we think we're estimating conservatively, and that
11 the number that we're hiring is an appropriate
12 number.

13 Pendency, well, the good news is we met
14 our pendency goal this year and reduced First
15 Action pendency down to 6.3 months. We hope in
16 the next three years to drive it down to three
17 months. Next year, our goal is 5.4 months for
18 First Action pendency, and we think with the
19 hiring we've done, this is a realistic goal. Once
20 more, we're looking to try to get our pendency
21 down to three months, and we're talking about with
22 the electronic systems that we now have in place,

1 if it's not possible to actually have it below
2 three months. So this is something we'll probably
3 talk about in the coming year with the Public
4 Advisory Committee.

5 And this is more discussion of the
6 Efficiency Measures. This measure is very -- it's
7 kind of interesting because on a single year
8 basis, I don't think it tells you very much
9 because what it is, is all the costs that have
10 been attributed to Trademarks, and that's all of
11 our overhead costs, too. So, the costs for the
12 Office of International Relations, and the
13 Director's Office, etcetera, all of those costs
14 plus our direct costs divided by the number of, I
15 think, office disposals to give us a cost per
16 disposal. Now the good news here is that it was
17 less than we expected it to be. It's a
18 preliminary result because we have a couple of
19 estimated figures in here. We haven't gotten the
20 actuals yet. So, that's a good thing. Over time,
21 and I think maybe at the next meeting, one of the
22 things I'll present is the figures that make up

1 this Efficiency Measure. Because when you look at
2 the breakdown, you can see from year to year,
3 which is where I think we really get the important
4 information on this figure. From year to year
5 how, for instance, the OCIO spending, what
6 percentage of trademark and fees it is; and the
7 Office of the Chief Financial Officer, what
8 percentage those are. And you get an idea of how
9 much these support organizations drive up and down
10 our efficiency, as well as looking at the actual
11 operational expenses, the direct expenses, how
12 we're doing with that measure. So there will be a
13 little more in-depth discussion on the Efficiency
14 Measure. Hopefully at the next meeting, we'll
15 have time to do that because I think the Committee
16 would be interested in seeing those figures. But
17 the good news is it's gone down; it's lower than
18 we expected it to be; and it's higher, however,
19 than the 2004 figure primarily because of all the
20 hiring that we did this year.

21 Telework, wow, I think there's good news
22 here, too. We continue to expand our telework

1 program. We think it's one of the best things
2 that we have at the office. It really encourages
3 people to stay. You see, we have 73 percent of
4 our eligible employees working. An eligible
5 employee is someone whose job can be done as
6 telework, and we have folks all over the office
7 teleworking. We have them in the Post
8 Registration Area, and the paralegals of the
9 Commissioner's Office telework, and of course our
10 examining attorneys. The really exciting news on
11 this front is we're getting ready to pilot
12 telework in our Trademark Assistance Center, and
13 those are the folks that answer the over 100,000
14 phone calls last year for the office. They have
15 to work from 8:30 to 5:00, and it's very hard for
16 us to fill those positions because most of us have
17 flexi-time at work here. We can come in between
18 5:30 and, well, whenever in the morning and work
19 as much as, depending on exactly what our job is,
20 work anywhere between 15 minutes and 8.5 hours and
21 on and on. So there is a great deal of scheduling
22 flexibility for most workers. For the Trademark

1 Assistance Center, this isn't true. So, in the
2 next month or so, we'll begin a pilot in the
3 Trademark Assistance Center, having some of those
4 folks work at home. They do all their work
5 online. They sit in front of a computer with a
6 telephone, and they access the various information
7 that's in our computer systems to answer questions
8 and to answer emails. So I think this is going to
9 be a real benefit for the office. We'll be able
10 to staff that organization up a little bit,
11 something we haven't been able to do. We've had a
12 very hard time hiring people into this
13 organization. It makes it very hard for them to
14 meet their call answer time.

15 So, any questions on this presentation?

16 MR. SAMUELS: Does anybody have any
17 questions for Lynne?

18 MS. BERESFORD: Yes?

19 MR. LIVINGSTON: Sorry. As far as the
20 units of quality you were talking about, without
21 getting into huge detail, what are they and how
22 does it work?

1 MS. BERESFORD: The Office of Trademark
2 Quality Review gets randomly selected First and
3 Final Actions. They review them. They have a
4 database that they keep their reviews in, and they
5 review them. They have more than 600 data points.
6 I'm sorry. Thank you. The Office of Trademark
7 Quality Review takes randomly selected cases,
8 First Actions and Final Actions. They have more
9 than 600 data points that they can review in the
10 cases. And they try to keep very precise
11 information, not, it's the 2D Refusal is deficient
12 but exactly why it's deficient, etcetera. And
13 they look at evidence. They look at the search.
14 They look at the writing, the way the procedural
15 issues are handled, the way the ID is handled.
16 They look at everything. And the standard here is
17 not the clear error standard that we used in the
18 past. It's what I like to think of as the better
19 examiner standard. Did they do what a good
20 examiner would do here? Do they make the right,
21 have the right approach? Did they do the right
22 thing? Did they give enough information? Is it

1 clear? And the Office of Trademark Quality review
2 does a very thorough review of each file.

3 If they find the examiner has not taken
4 the best approach, they will send a deficiency
5 notice to that examiner, and they're told -- and
6 my understanding is from talking to various law
7 offices, this is exactly what they do -- to be
8 very specific about what is the problem, what has
9 happened, not, just your 2D Refusal isn't any
10 good, but your 2D Refusal isn't any good, and here
11 is exactly why. The other thing they do is they
12 look for excellence in every office action that
13 they review. And they are told if they find
14 something that is done excellently, they are to
15 send an email to the examining attorney and their
16 managers too about what is excellent in the office
17 action, and again, to be very specific about that,
18 why it's excellent, so that the examining attorney
19 knows exactly what they did right. Certainly,
20 that part of the program is very popular with
21 examining attorneys.

22 Does that answer your question?

1 MR. LIVINGSTON: Yes. When you had the
2 figures, there were of five-point something
3 percents, which I think were generated earlier.

4 MS. BERESFORD: Right.

5 MR. LIVINGSTON: Where does that -- how
6 is that generated --

7 MS. BERESFORD: Those are --

8 MR. LIVINGSTON: -- very simply?

9 MS. BERESFORD: Sorry. Those figures
10 reflect deficiency in substantive refusals in
11 First Actions and Final Actions.

12 MR. LIVINGSTON: I see.

13 MR. SAMUELS: Van?

14 MR. LEICHLITER: Yes, I have a question
15 for Ms. Beresford. The targets I noticed in your
16 quality for 2005 were 5 percent deficiency. And
17 then for 2006, we're at 6.5 percent. There's an
18 increase, I guess, in deficiency. I noticed in
19 looking, in preparation for this meeting, that
20 there was a connection between deficiency and
21 pendency, and I noticed your pendency is going
22 down. Is that part of the reason for the

1 increase, or are there reasons for the increase in
2 the deficiency target?

3 MS. BERESFORD: Thank you. The
4 deficiency target increased -- this is for First
5 Action deficiencies -- for two reasons. One, we
6 decided that it would be a good idea to set the
7 two deficiency targets at the same level. So, we
8 kind of, at that point -- and we did this. It was
9 before we had the Final Action deficiency numbers,
10 which turned out to be actually better than we
11 thought they would. But we wanted to set both
12 targets at the same 6.5 percent, and we wanted to
13 increase the First Action target because we feel
14 that with the amount of new examiners we're
15 hiring, we're going to see a bit of an increase in
16 errors where this is just historically the way
17 things have been. We hope that doesn't happen,
18 but that's the reason those targets were changed.

19 MR. SAMUELS: Joe?

20 MR. WELCH: Lynne, we were trying to
21 think of what would rate as excellent in an office
22 action. Would you give an example or two of what

1 would reach that level?

2 MS. BERESFORD: Sure. Excellence can be
3 any number of things. It could be an excellent
4 search where they look at the search and say, wow,
5 this is really thorough, and it was really well
6 reasoned. It wasn't -- it didn't take 30 search
7 statements; it took 5, but it really got
8 everything that one needed to search. It could be
9 an excellent use of evidence. They've given
10 evidence that's directly on point, as much as is
11 necessary but not more. It isn't the dump or sort
12 of semi-bad quality evidence. It's really good
13 stuff. It could be well written. It could be
14 excellently written, the reasoning, etcetera. It
15 could show an excellent understanding, for
16 instance, of the deficiency, and it's an issue
17 that might be not real obvious, and the discussion
18 of the deficiency or the substantive refusal is
19 one that really points out a knowledge of that
20 particular area of the law. So, any one of those
21 things could and many, many other things could
22 produce a finding of excellent.

1 MR. WELCH: Thank you.

2 MR. SAMUELS: Any other questions?

3 Maury?

4 MR. TEPPER: Just a brief one, Lynne, on
5 the efficiency measure, I think you are absolutely
6 right that this is one of those numbers that tells
7 you sort of a story from year to year. And in
8 this year we sort of have a blip in the radar
9 screen because of your change in cost allocation.

10 MS. BERESFORD: Yes.

11 MR. TEPPER: And we discussed it a
12 little bit. I don't know if we have anybody from
13 the CIO today. As I understood, we are adopting a
14 new model this year which was based more on, for
15 some of the shared resources, some of the shared
16 offices, they are sort of giving their own
17 estimate of allocation of time. I remember at
18 least from the last meeting, we were going to go
19 back and try to look and compare if we could get
20 some validation of that method. Do you know if
21 anything has been done in that area?

22 MS. BERESFORD: No. We've had some

1 preliminary discussions, I know, with Jim
2 Toupin. We've discussed briefly how his
3 measure could be done because the amount of
4 trademark work he has varies greatly from year to
5 year, depending on a number of and a variety of
6 issues: How many cases the solicitor's office
7 takes, how much union activity there is. So, his
8 view is that he should give an estimate every year
9 instead of having the 30 percent that they're
10 doing. I have not talked to, for instance, the
11 Office of International Relations about their way
12 of allocating expenses. And the really big
13 discussion, of course, will be with OCIO when they
14 get a little more organized about how they
15 allocate so many different things between Patents
16 and Trademarks. The discussion has started, but
17 it hasn't happened yet. Thank you.

18 MR. SAMUELS: Howard?

19 MR. FRIEDMAN: For average action
20 points/balance disposals per examiner FTE, it goes
21 down about 300 from, I guess, estimated this
22 fiscal year of 2,255 to target 1,969. Is that

1 because of all the new attorneys that are being
2 hired?

3 MS. BERESFORD: It could be because that
4 would make perfect sense. That would make perfect
5 sense to me because they are FTE, but they are not
6 really producing much for the first part of the --
7 I mean, they are part of an FTE if they're
8 depending on how long they are, but they don't
9 have much production for a substantial period of
10 time. So, that indeed might be the reason. But
11 if you would shoot me an email on that, I would
12 happen to ask Karen if she has any analysis to
13 show the background. Thanks.

14 MR. SAMUELS: Yes, go ahead, Kathleen.

15 MS. COONEY-PORTER: Hi, Lynne. I was
16 curious, is there -- the 8.4 percent increase in
17 filings, does the office have an estimate on how
18 many are Madrid filings? Do we know? Is there a
19 way to calculate that?

20 MS. BERESFORD: Do you mean how many of
21 that 8.4 percent came in? How many of our filings
22 came in from Madrid, we can tell you.

1 MS. COONEY-PORTER: Right.

2 MS. BERESFORD: I can't tell you off the
3 top of my head, but I can get you the figure over
4 lunchtime --

5 MS. COONEY-PORTER: I was just curious.

6 MS. BERESFORD: -- because it's in my
7 computer. And I think we had like 3,500 Madrid
8 filings, but I'll check. I can find out. But as
9 to how much of the increase was due to Madrid,
10 that would be a more -- that's a slightly
11 different question. I'm not sure we could do
12 that, but I can tell you. I can find out for you
13 what our Madrid filings were. Thanks.

14 MR. SAMUELS: Going back to quality for
15 a second, in measuring quality for purposes of
16 quality review and measuring quality for purposes
17 of the Performance Appraisal Plan, what's the
18 relationship, if any? Is it just two separate
19 measures, or are the measures the same? How do
20 they relate?

21 MS. BERESFORD: My understanding, and
22 Debbie, correct me if I'm wrong. My understanding

1 is that the measures are the same, and we're
2 looking at the same. We don't -- the quality
3 review plan has fewer elements that they look at,
4 that are looked at in the quality review plan
5 because TQR does a much more thorough job of
6 reviewing each case that it looks at. But it is
7 using the same standard on substantive refusals
8 and on procedural refusals. Debbie, is that? Am
9 I correct, or?

10 MS. COHN: Yes, let me just --

11 MS. BERESFORD: Okay.

12 MR. SAMUELS: Debbie, why don't you come
13 up to the table and grab a microphone?

14 MS. COHN: Okay. I think this is just
15 stating it a different way. The cases that are
16 reviewed by the Office of Quality Review are
17 considered in the examining attorney's performance
18 plan. In other words, if there's an error made or
19 a deficiency found, that counts in the quality
20 element. And that is a change from previous years
21 where the managing attorneys did their own quality
22 review, and the Trademark Quality Review, the

1 Office of Quality Review was more of an
2 informational thing for examining attorneys. Does
3 that answer the question?

4 MR. SAMUELS: Right. So, in other
5 words, the same standards are applied by --

6 MS. COHN: Yes.

7 MR. SAMUELS: -- both offices.

8 MS. COHN: Yes, same standards.

9 MR. SAMUELS: Okay.

10 MR. ROSENBERG: One is a --

11 MR. SAMUELS: Joshua?

12 MR. ROSENBERG: One is a sampling, and
13 the other is not, right? So, how do you handle
14 that? I mean, is that -- does that give a fair
15 representation?

16 MS. COHN: There has always just been a
17 sampling done even when the managers were doing
18 their own quality review of cases, and they are
19 still, by the way, reviewing cases. But it's a
20 statistically valid sample that's being reviewed
21 now by the Office of Trademark Quality Review.
22 So, it is a sample, but it would be impossible to

1 review every case that an examining attorney does.
2 You're talking about thousands of cases. So, we
3 have a statistician who's working with us and
4 given us the method by which a statistically valid
5 sample is taken, and those cases are all reviewed.

6 MS. BERESFORD: Can I say something?

7 MR. SAMUELS: Of course.

8 MS. BERESFORD: Both methods take a
9 sample. They're just different samples. The
10 managing attorneys, I believe, Debbie, correct me
11 if I'm wrong, get random numbers and pull those
12 cases. And the Office of Quality Review gets a
13 different set and pulls those cases. So, I think
14 they're both randomly pulled samples. Yes?

15 MR. ROSENBERG: Are you saying truly
16 random, or do you force it so that there's a fit
17 to the number of examiners, and that there's a --
18 so, that it is random? You could have an examiner
19 not be chosen then?

20 MS. BERESFORD: We're talking about two
21 different sets. So, let me put it this way. For
22 the Office of Trademark Quality Review, it's truly

1 random, First Actions and Final Actions, and the
2 result is that by the end of the year, you could
3 have an examiner that did not have a case reviewed
4 by the Office of Trademark Quality Review. In the
5 law office, it's a random sample, but it's a
6 random sample of each examiner's work. So, by the
7 end of the year, you will, each examiner will have
8 had reviewed a certain number of cases. Debbie,
9 again correct me if I'm wrong, but I think that's
10 the way it works.

11 MS. COHN: You're correct.

12 MS. BERESFORD: Thanks.

13 MR. ROSENBERG: Thanks.

14 MR. SAMUELS: Ayala?

15 MS. DEUTSCH: The elements or factors
16 that are looked at for assessing quality, have
17 those been reviewed or reassessed periodically in
18 terms of whether you're measuring everything you
19 should be measuring or you're missing things you
20 shouldn't be missing? And who would have input
21 into what those factors should be? For example,
22 would practitioners or applicants have any avenue

1 to say, here's something I think you should be
2 measuring in terms of the quality of examining
3 attorney work?

4 MS. BERESFORD: Well, the standards that
5 were set up with our Office of Trademark Quality
6 Review, I think this is our third year of using
7 this new set of standards and doing the review.
8 We are always interested in hearing, and, in fact,
9 the USPTO Subcommittee has agreed to do some work
10 in our Trademark Document Retrieval Database and
11 send us information about what kind of quality
12 issues they see. But one of the things we're
13 always interested in is what the public thinks of
14 our quality because that is, I mean that's what we
15 exist for. We, the Trademark Registration System
16 exists for trademark owners, not to keep examining
17 attorney employed. And so, we're always
18 interested in what the public has to say. We've
19 sought input from the public over time. But, in
20 general, to have a quality standard, you need some
21 pretty specific language and ideas, and often we
22 have, I can say we have been successful at getting

1 that. But if you have suggestions or if others
2 have suggestions, we'd be more than willing to
3 look at that. I don't think we have a box. We
4 have boxes, mailboxes for all kinds of things, but
5 I don't think we have a mailbox for quality
6 improvement suggestions from the public. But be
7 assured that if any of you have any ideas, we'll
8 be happy to listen to them. Thank you.

9 MS. Beresford: And, Lynne, if I could
10 just add to that, we're also, outside of the
11 quality review affects examining attorneys'
12 ratings, we're also working with the INTA-USPTO
13 Subcommittee on trying to have more frequent
14 interaction with examining attorneys to give
15 people a better idea of, kind of meld the two
16 views. And I think to that end, some of those
17 suggestions that we've heard over the years and
18 some of the topics that the outside attorneys are
19 very interested in will be presented.

20 MR. SAMUELS: Howard?

21 MR. FRIEDMAN: Well, a couple of issues
22 have been raised on quality. Let me, perhaps,

1 give a different perspective at least from the
2 examiners' side of the fence. First, as far as
3 random, which I think Joshua had raised, it's my
4 understanding, and keep in mind as a reminder for
5 the new members and for the first time, or as a
6 reminder for the old members or experienced
7 members, and for new information for the newest
8 members. It's my understanding that a random
9 sampling is done when it comes to each law office.
10 In other words, each law office has a certain
11 amount of cases that TQR pulls, but it's possible
12 that, dependant upon how that random sampling
13 works, some people in that law office may not have
14 files pulled for review, whereas other people
15 therefore in that particular law office, they have
16 files pulled, or in this case a disproportionate
17 number of files pulled. And that's been always
18 one of the concerns we've had with the PAP because
19 it's based on errors discovered. You'd like to
20 think that if it's based on errors discovered,
21 everybody's going to have a certain amount of
22 cases reviewed. And at least when it comes to

1 TQR, that's not, in our mind, how it occurs.

2 That's one of the huge problems we have.

3 As far as the quality numbers referred
4 to, I think initially perhaps by Joe and Van,
5 again in our humble opinion, we would love to be
6 held accountable to the 6.5 percent rate. This is
7 an issue that we've raised for a couple of years
8 here. We happen to think, particularly when it
9 comes to statutory refusals, but I also believe
10 even under the practice and procedure numbers,
11 that we're held accountable to in the PAP. The
12 percentages that are here are much more favorable
13 than the percentages that are in our Performance
14 Appraisal Plan. As an example, in order to be --
15 I presume the office in its mind would be viewed
16 as outstanding if it has less than 6.5 percent
17 error rate. Under our Performance Appraisal Plan,
18 which is based on errors divided by the number of
19 balance disposals you work on, if you make a
20 couple of, meaning a couple, two statutory refusal
21 errors and have examined 1,000 balance disposals,
22 I believe it's either two or three, you are not

1 outstanding. So, to the extent the office
2 believes it directly aligns their goals with our
3 goals, obviously, we're -- we're on a different
4 page in that regard. And that's in part why when
5 we were entertaining or involved, sort of at the
6 last minute, in negotiations, one of the things we
7 had put on the table was perhaps some type of gold
8 sharing or gain sharing, that if the office hit
9 its quality marks, in this case, 6.5, that
10 examiners would share in the rewards of hitting
11 those marks by earning some type of gain sharing
12 or gold sharing proceeds.

13 MR. SAMUELS: Well, that argument has
14 certain surface appeal. What's the
15 counterargument to that?

16 MR. FRIEDMAN: Are you talking to me or
17 the office?

18 MR. SAMUELS: Anybody.

19 MR. FRIEDMAN: Well, I think I'll let
20 the office speak now.

21 MR. SAMUELS: Do you want to speak? You
22 don't have to. I'm just --

1 MR. FRIEDMAN: Well, in what --

2 MR. SAMUELS: I'm just making an
3 observation.

4 MR. FRIEDMAN: In what regard? What has
5 appeal?

6 MS. BERESFORD: I'm not sure which
7 argument you're talking about. You'll have to be
8 a little more specific.

9 (Laughter)

10 MR. FRIEDMAN: I agree. I agree, Jeff.
11 Everything I said has appeal.

12 MR. SAMUELS: To match up the quality
13 requirements for the PAP with the quality
14 requirements for the office. In other words, if
15 6.5, whatever the number is, is the goal for the
16 Office of Quality Review, office-wide, why is
17 there a different standard for the PAP, or looking
18 at it the other way, conversely?

19 MS. BERESFORD: Well, I think the answer
20 is if you look at the statistics, first of you may
21 -- Howard has made an assumption that if we meet
22 these, we're outstanding. I'm not sure that's a

1 correct assumption. We were just asked to meet
2 these.

3 MR. FRIEDMAN: You've met your goal.

4 MS. BERESFORD: Yes, we've met our goal.
5 I don't know that we're outstanding, Howard.
6 Outstanding might be quite a bit different than
7 this. And two, in talking about how the examiner
8 number is reached, and this number is reached, I
9 think it's a different kind of, it's a different
10 math. So, we would need to look at -- this is a
11 question that we have to look at some statistics
12 from the percentage that is in the examiner PAPs
13 and this percentage, I think before making an
14 intelligent answer. I don't think they're -- I
15 think it's apples and oranges here, and that's one
16 of the reasons that they're not the same, so.

17 MR. FRIEDMAN: It could be.

18 MS. COHN: I just have one comment.
19 Yes, I think it is apples and oranges, and I think
20 just one glaring example would be an error or a
21 deficiency that's made by a fairly new attorney
22 that might still be in training would not

1 necessarily be counted against that person but
2 would be counted in the office statistics. And
3 there are other areas where an error or a
4 deficiency would not necessarily be counted
5 against that individual but would be included in
6 the office statistics. So, there is a slight
7 difference, but certainly we could discuss this
8 further.

9 MR. SAMUELS: Howard?

10 MR. FRIEDMAN: I'll tell you what,
11 respectfully, troubles me greatly is, of course
12 during formal negotiations with the union and
13 informally in presentations to the T-PAC over the
14 past few years, the primary driving force in
15 changing the Performance Appraisal Plan was to
16 align agency goals with individual goals. And to
17 the extent it's suggested that perhaps what I've
18 said is, and what's been put on the table,
19 compared to what the office uses for measuring
20 sticks for quality is apples and oranges. Then I
21 guess I get concerned about, then why do we use
22 these measuring sticks to determine what quality

1 is if they're apples to our PAP's oranges?

2 MR. SAMUELS: I think Ron wanted to
3 weigh in?

4 MS. COHN: Okay.

5 MR. SAMUELS: Did you still want to? If
6 you do, Ron, come to the table and grab a
7 microphone.

8 MR. FRIEDMAN: You can sit next to me.

9 MR. WILLIAMS: I think that part of the
10 disconnect is the fact that Howard quoted figures
11 referring to just statutory refusals, but the
12 action is also based on practice and procedures,
13 and there are a lot more errors in that area that
14 the examiners can make and it not have an adverse
15 impact on their rating because TQR Final Action
16 includes practice and procedure errors as well as
17 substantive errors. And I think the one, or two,
18 or three that Howard was referring to was simply
19 statutory refusals.

20 MR. SAMUELS: Ayala, did you want to say
21 something?

22 MS. DEUTSCH: I thought in Howard's

1 initial remarks, there were kind of two separate
2 issues. One was whether we were talking about
3 apples and oranges in terms of the goal
4 measurement, but the second was to the extent that
5 the office reaching its goals was a separate
6 achievement, that maybe even if that was apples to
7 oranges, there might be some way to reflect the
8 examining attorneys' role in the office achieving
9 that by sharing that with them. So, not
10 necessarily using the same measurement but
11 acknowledging the role of the attorneys in the
12 office reaching his measurement. But maybe I
13 misheard you. I don't know.

14 MR. FRIEDMAN: Well, I don't think you
15 did. I think if, in fact, you stated it much more
16 clearly than I did. But as to the latter, we're
17 always interested, which is why we put it on the
18 table, admittedly at the end of negotiations. But
19 we're also interested in coming up with a plan
20 where both parties work together, and if they
21 succeed, both get the fruits of that particular
22 labor. And so, to the extent there are goals that

1 the office achieves, that obviously the examiners,
2 as well as other people have helped reach, aided
3 in reaching our goal, we're always interested in
4 receiving more money.

5 As to the apples and oranges, as the
6 more experienced members know there, it was a
7 difficult laborious process. We're obviously not
8 on the same page when it comes to the performance
9 Appraisal Plan. It's probably premature at this
10 point in time, given that we melded and blended
11 the old PAP through May 15th with the new PAP
12 subsequent to May 15th, for the fiscal year to
13 know how it's going to play out completely until
14 we have a few quarters, if not another fiscal year
15 under our belt. But we have, and continue to
16 have, and probably will continue to have problems
17 with the Performance Appraisal Plan for a number
18 of reasons.

19 MR. SAMUELS: Debbie?

20 MS. COHN: Just one final comment,
21 Howard, and just actually for the group just in
22 case you're not aware, the examining attorneys do

1 get a quality award. They're eligible for 3
2 percent of their annual salary at the end of the
3 fiscal year if they're outstanding in quality, in
4 addition to the up to \$20,000 that they're
5 eligible in productivity awards. And to get the
6 productivity award, they need to reach certain
7 goals and maintain at least fully successful in
8 their quality. So, there are awards on the table.
9 Certainly, there are other ways to structure them
10 to maybe put more in quality and less in
11 productivity, depending on what your particular
12 point of view is, which is always a possibility
13 for the future, but I just wanted this group to be
14 aware that we do reward quality.

15 MR. SAMUELS: Lynne, you mentioned that
16 you've been having meetings with law offices. I
17 wonder whether you might share without breaching
18 any confidentiality, just in general, some of the
19 concerns and what you're hearing.

20 MS. BERESFORD: Okay, sure. I'm hearing
21 a vast amount of things. In general, I go to
22 these meetings, and I ask them to give me

1 suggestions for improving the work they do here at
2 the office, and the way they work at the office,
3 and making the office a better place to be. And
4 each meeting is very different, often reflecting,
5 I think, the personality of the managers in that
6 particular office. But some complaints about the
7 Performance Appraisal Plan surface at almost every
8 meeting. Almost every meeting surfaces one or two
9 complaints, I shouldn't say complaints, one or two
10 suggestions for how our electronic systems can be
11 improved.

12 There are always comments about how we
13 can improve our training, and more training is
14 wanted, more exam notes, more guidance on
15 particular issues. One of the things we're doing
16 this year is we're opening a box for examining
17 attorneys to, and others in the office to send in
18 suggestions for improvements to the Trademark
19 Manual of Examining Procedure, and/or send in
20 issues that they would like to see exam notes or
21 exam guides done on. In response to one of the
22 suggestions at this law office meeting, we've been

1 asked a number of times if the Office of Trademark
2 Quality Review could make all of their training
3 materials and their exam notes and guides
4 available online, and just recently we put up a
5 section on our intranet with all that information
6 and making it available to examining attorneys.
7 But as I, as Howard has heard me say before, the
8 suggestions are -- go the gamut from please make
9 sure we always have pretzels in the snack machine
10 to very specific suggestions for a particular area
11 of the law where we might need an exam note. But
12 I have to say, for the most part, very upbeat
13 meetings.

14 MR. SAMUELS: Great.

15 MS. BERESFORD: A number of people are
16 really -- work at home folks come in for these
17 meetings, and they're among our happiest employees
18 as you might imagine. So, on the whole, they tend
19 to be pretty upbeat. Thanks.

20 MR. SAMUELS: Another question on the
21 new hires and I guess actually on the recent
22 hires, what are the qualifications now that you're

1 looking for in new trademark examining attorneys?

2 Do they have to have experience?

3 MS. BERESFORD: Well, we're very lucky
4 in our hiring right at the moment because we have
5 many people applying for the job. On the whole,
6 we prefer to have folks that have some IP
7 experience come into the office. We interview all
8 the people that make our final cut, and
9 occasionally we hire people without IP experience
10 because they impress us in one way or another with
11 their work ethic, or their eagerness to be here,
12 etcetera, so. But we can be pretty, pretty picky.

13 One of the good news things, I think, on
14 the hiring front is we've completed with the
15 Office of Personnel Management a compatibility
16 test. This is a series of questions that we, that
17 they wrote up. This was months ago. Then those
18 questions were given as an exam to, voluntarily
19 to, examiners. We then looked at the exam answers
20 from folks that we consider our best examiners.
21 And from that were able to come up with a profile
22 of questions which we think will, which we will be

1 administering to our next set of hires in January
2 as a method of predicting who will be happy here,
3 who will be productive here, who will like the
4 atmosphere of the office. It isn't for everybody.
5 So, OPM has done this with a number of agencies.
6 It's proved to be very, very successful. And we
7 will be rolling that out online with our next
8 hiring next January.

9 MR. SAMUELS: Al?

10 MR. TRAMPOSCH: Just a question about
11 that, at what point will you be administering that
12 test, before making an offer, after?

13 MS. BERESFORD: The test will be
14 administered at the time they fill out the
15 application, so it will all be part of a single
16 electronic application.

17 MR. SAMUELS: How many more examiners do
18 you plan to bring on this next fiscal year,
19 whatever fiscal year we are in?

20 MS. BERESFORD: We plan in FY '06, our
21 current fiscal year, we are planning to bring on
22 80, to hire 80 examining attorneys.

1 MR. SAMUELS: And that would be a net
2 of, what would you estimate that would be the net
3 of?

4 MS. BERESFORD: I think we estimate the
5 net at 69 because I think we're planning for 11
6 attrits. Karen is not here. Debbie, do you --

7 MS. COHN: Something like that.

8 MS. BERESFORD: Something like that,
9 okay. That's in the ballpark. Thanks.

10 MR. SAMUELS: Howard, did you have your
11 hand up?

12 MR. FRIEDMAN: Yes, I want to add that I
13 and our Executive Board are very appreciative of
14 Lynne going to the law office meetings.
15 Communications has been an issue. And, personally
16 on behalf of the E- Board and on behalf of the
17 Bargain Unit, they're very appreciative of Lynne
18 coming. We may not get the pretzels in the
19 vending machine --

20 (Laughter)

21 MR. FRIEDMAN: -- and a few other issues
22 may not be addressed, but people want the

1 Commissioner to hear what they have to say. They
2 understand that everything may not get done. A
3 lot of things may not get done, but they really
4 appreciate this Commissioner making a very good
5 effort to meet with the Bargain Unit, to hear what
6 everybody has to say even if she's hearing the
7 same thing over and over again in a little
8 different way. Additionally, Lynne and I have
9 been meeting more or less every month or every
10 other month. The month that we don't meet, she
11 meets with our Union Executive Board to hear what
12 the elected officials of the Bargain Unit have to
13 say. So, we really do appreciate Lynne, and Ron,
14 and Debbie, and Sharon and others hearing what we
15 have to say, and hopefully working together to
16 help everybody.

17 MR. SAMUELS: Well, I think I can speak
18 on behalf of T-PAC in saying that we certainly
19 applaud all the efforts by Trademark management,
20 in particular by Lynne, to meet with the members
21 of the Bargaining Unit. We think that it's
22 obviously a positive step and ultimately should

1 result in making this place a better place to work
2 and having a better end product come out. So, we
3 encourage you to continue to do that.

4 Are there any other questions or
5 comments for Lynne? Okay, if not, I guess we
6 should break for lunch. I have to say, I don't
7 see it here, but I would imagine it's right
8 outside the door.

9 (Laughter)

10 MR. SAMUELS: So, we will adjourn now
11 until about 12:30.

12 (Whereupon, at 11:53 a.m., a
13 luncheon recess was taken.)

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13 MS. COTTON: Good afternoon. I am Amy
14 Cotton, and I'm with the Office of International
15 Relations which is part of External Affairs. So,
16 while this might not appear to be a very
17 international issue that I'm going to raise with
18 you today, think of it as an external affair
19 issue, soon to be an internal affair as well.
20 About six to eight months ago, the Office of the
21 Law Revision Counsel contacted us with a proposal,
22 and the proposal is to recodify the Lanham Act in

1 the U.S. Code, and that sounded scary. So, we
2 started asking questions and trying to figure out
3 exactly what this meant. We have determined that
4 we still aren't entirely sure what it means, but
5 we wanted you all to be able to ask the questions,
6 and find out what it means, and help us figure out
7 if this is the right way to go and how we need to
8 move forward to get there. We have had meetings
9 with Lynne, and Sharon, and myself with Ken
10 Paretsky and Tim Trushel from the Office of Law
11 Revision Counsel to help us answer these questions
12 and to raise more questions. And they very kindly
13 came, agreed to come down here today to lay out
14 the proposal for you and to take any questions
15 that you have. And they can certainly do a better
16 job than I can of explaining it.

17 We are still weighing the pros and cons.
18 I think we can probably say from PTO's
19 perspective, we're looking at this very seriously.
20 We're very interested in looking into this, but we
21 certainly have a broad constituency that we answer
22 to, which includes you all, and so we want to get

1 your feedback on it. Essentially, at some point
2 in the very near term, we will see a draft bill
3 which will show what this recodification would
4 look like. So, there will be an opportunity for
5 public comment. So, this is not the only bite at
6 the apple that you will have, certainly, and there
7 will be more formal channels, but at least this
8 way we can start it at this level and shape the
9 draft bill as it comes out. And at the end of the
10 day, if the constituencies don't like the bill,
11 then we won't do it. If they like the bill, then
12 we will, and then we'll see what Congress says
13 which is a whole other issue.

14 So, why don't I turn the table over to
15 Ken and Tim, and they can lay out this amorphous
16 proposal and put some real meat on it. Then
17 they'll be happy to take any questions, and we
18 have about 20 minutes for this.

19 MR. SAMUELS: Thank you, Amy. Well,
20 welcome Ken and Tim. Could you explain the Office
21 of Legislative Counsel, where you sort of fit in
22 the government?

1 MR. PARETSKY: Yes, it's the Office of
2 Law Revision Counsel.

3 MR. SAMUELS: Law Revision Counsel.

4 MR. PARETSKY: Which is different than
5 the Office of Legislative Counsel. We're an
6 independent office of the House of
7 Representatives. We were established in 1985,
8 1975, excuse me. There are two main functions of
9 the office. One function is we maintain the U.S.
10 Code, the editorial, putting it together as the
11 laws get passed. And the other main function,
12 which Tim and I and a few other attorneys work on,
13 is to enact into positive law, one title at a
14 time, the remaining titles of the United States
15 Code that are not positive law. Positive law are
16 those titles of the Code that are legal evidence
17 of the Code. What you see in the Code is the law.
18 Title 28, Criminal Code, Title 31, Title 49 which
19 are the some of the titles we have done, as
20 opposed to, let's say, Title 15 and Title 42 which
21 are just compilations of the laws as they are
22 enacted. And our office editorially decides, when

1 there are new laws which title they should go
2 into.

3 We feel that it benefits the
4 codification, it enables people to see the law as
5 it is. It is easier to amend and work with the
6 law as we go through the project and prepare a
7 draft bill. We are able to hopefully answer
8 ambiguities that arise. We are able to get rid of
9 obsolete provisions, provisions that have been
10 superseded. Let me make an important point. The
11 bills that we do, there's no substantive change in
12 the law. We try to state the law as it is. These
13 are not vehicles for instituting new projects for,
14 in this case, new procedures dealing with the
15 trademarks; these are the laws as it is. And
16 that's one of the ways we are able to get our
17 bills through Congress easier is that everyone
18 understands these are not Christmas trees; this is
19 not new law going through.

20 As I said, our charge is to enact the
21 provisions of the U.S. Code that are not in
22 positive law into positive law. We go through the

1 law, the areas of law, and try to find an area
2 that is basically relatively quiet because, since
3 we are not enacting new legislation or new
4 legislation is not being combined with it, it has
5 to be somewhat quiet. We have done that
6 throughout. We have noticed that the Lanham Act
7 basically has been the Lanham Act for a long time.
8 There's a few amendments here and there, but it's
9 a relatively quiet area. We are trying to take
10 smaller areas of law and get them enacted if we
11 feel it will be easier for Congress, and the
12 practitioners, and the Bar to understand it that
13 way. As I'm sure you're familiar, Title 15 is an
14 impossible title, so it just runs the gamut. So,
15 we felt that the trademark provisions was an area
16 that was ripe for codification.

17 The way the process works is we examine
18 the provisions, and we have somewhat of a basic
19 structure of how we think a title should be set
20 out stylistically. And we examine each unit,
21 whether it's a chapter or subchapter of the Code,
22 they are assigned to the various attorneys. Tim

1 and I have been working on the trademarks
2 provisions. We've gone through it, and I must say
3 this law is, compared to others we've worked with,
4 this area is in very good shape. And the draft
5 that we are looking at, we don't anticipate a lot
6 of change in terms of the structure of the law or
7 even the section orders of the law. The main
8 difference I think that will end up is that it
9 will not be the sections of the Code or the
10 sections of the Lanham Act that you are familiar
11 with.

12 What happens is at the end the Lanham
13 Act in itself gets repealed. So, let's say
14 there's a new title. Let me pick a number, Title
15 52. So, instead of saying it would be -- you
16 would no longer refer to Section 27 of the Lanham
17 Act or Section 45 of the Lanham Act; you would
18 refer to Section X of Title, let's say, 52. I
19 don't want to get it too confusing. That always
20 sets off alarm bells in people's minds. Yes,
21 we're used to these numbers; we've got forms with
22 these numbers; we've got court cases with these

1 numbers. Both the court cases and provisions,
2 technical provisions, we put in the bill, that is
3 not a concern. Any forms that have been printed
4 with the current numbers, you can still use. They
5 are automatically -- they are recognized as the
6 new numbers. Any filings or anything like that up
7 to the effective date of the new law still remain
8 in effect. You don't have to go back.

9 We do find, as Amy said, people are
10 resistant to change. You're used to what it is
11 now. We have found that throughout. And I must
12 say that in the other areas we have worked with,
13 after our bills have been passed, people have
14 said, boy, we should have done this earlier. We
15 find that people find it's a great help for them
16 to just have an easier reference for the act. You
17 don't have a separate code provision and a
18 separate act provision. So, you're dealing with,
19 well in this case, a lot of international things.
20 The number of the act would be the number of the
21 act. There wouldn't be a separate Lanham Act and
22 a separate Code provision and things like that.

1 As Amy said, there's a lot of give and
2 take. We appreciate the chance to explain our
3 project at its very early stages. We want to get
4 people involved from the beginning. Bills don't
5 go forward until everybody signs off. We have no
6 agenda other than to get our bill passed. And in
7 this public comment -- official, informal, formal,
8 whatever it is -- we raise questions. We don't
9 profess to be experts in the field. We're looking
10 at it. We've raised a number of questions
11 already. And, in fact, we sent a series, I think,
12 of about 35 questions or so, that we've gotten
13 responses on most of them which will help us give
14 a cleaner first draft than we would have had we
15 just been on our own. And there will be plenty of
16 chance for comment with anybody concerned who
17 wants to talk. Our position is if you give us any
18 sort of basis: It's a term of art, there was a
19 legislative history, court cases, whatever, we
20 will accept that what we think might have cleared
21 things up actually muddies the waters, and these
22 words are there for specific reasons.

1 When we finish a project, when we finish
2 a draft, it gets introduced by the Judiciary
3 Committee. All our bills go through the Judiciary
4 Committee. Just, that's the way it's been. It
5 turns out in this case, Judiciary is also the
6 substantive committee. So, that's one less
7 committee we'll have to deal with. Again, it goes
8 out for public comment. We have a back and forth.
9 We'll talk. We then probably, given the amount of
10 changes that are what we've always had to do, we
11 draft a substitute bill. It then goes. Again,
12 then everybody signs off and says yes, this bill
13 is okay. It then goes through the House, then
14 goes through the Senate. There is no comparable
15 office in the Senate, so we deal with the Senate
16 side also. And, hopefully, then it passes the
17 Senate relatively easily. They want to examine
18 it, of course, but it goes through, and eventually
19 it would get passed. And from then on, you would
20 deal with -- people would be dealing with new
21 section numbers of the act. That's the process.

22 As we're doing this, as we're doing the

1 bill, we also prepare a draft report. The draft
2 report has a couple of components. For each
3 section, each proposed new section of the bill, we
4 have the new section, the current section in the
5 U.S. Code, and the current comparable statute
6 citation, so people would be able to see where
7 it's coming from. We also prepare disposition
8 tables, a disposition table of the old Code site
9 and the new Code site. That actually gets printed
10 in the U.S. Code also when our titles get enacted,
11 so people would have a handy reference to see the
12 old, where the old sections ended up in the new
13 sections. For significant changes that we make in
14 language, we prepare revision notes that go under
15 each section, so that people can see what changes
16 were made. So, they'll have some idea of what
17 happened.

18 Again, it's a very collaborative
19 process. We look forward to working with all of
20 you and anybody else who's involved, anybody from
21 the Patent & Trademark Office itself, outside Bar,
22 practitioners, companies, whoever would feel the

1 need to comment on the bill. We will deal with
2 each comment. We try to keep it informal until
3 the end, so we don't, things don't have to be
4 clear as much as possible. Certainly, at the end,
5 there will be a formal statement, hopefully in
6 support of the bill.

7 I think that about covers it. I don't
8 want to take up too much time. Anything else,
9 Tim?

10 MR. TRUSHEL: Just a couple things, I
11 was with the Office of the Senate Legislative
12 Counsel for 16 years before I came to this office
13 just a year ago. The Legislative Counsel does
14 legislative drafting before Congress passes the
15 laws. We do it afterward. That's the difference.
16 Essentially, what we're doing, we would be putting
17 the Lanham Act on a par with the patents title.
18 Patents is a positive law title. In the process,
19 we've been through the Lanham Act and came up with
20 the questions we submitted to Amy, and she's
21 gotten some answers back to us. But we've been
22 through it. We don't contemplate much change at

1 all in the language. There are places here and
2 there where we found some inconsistencies which we
3 might want to consider cleaning up with the
4 agreement of all interest parties, but that's
5 about it. Like for instance, there are things
6 such as the definition section which used to be at
7 the end of the act, is now in the middle of the
8 act because the Madrid Protocol got slapped on at
9 the end. We'd like to organize that. So, what we
10 find is, as Ken said, people who have been
11 practitioners for years, and years, and years and
12 are familiar with the old section numbers feel a
13 little bit uncomfortable with having to give up
14 those old numbers. But when the law is on the
15 books, new people coming into the field, learning
16 the trademarks law for the first time, will have
17 an act which will be a lot more accessible. It
18 will be drafted in a more modern style with
19 headings, proper headings to sections and
20 subsections, and as I said other sorts of
21 improvements but nothing really major from what
22 we've seen thus far.

1 MR. SAMUELS: Well, thank you. A couple
2 of questions: So, if I understand that the
3 benefit from going ahead with this proposal is
4 that we would no longer be referring, for example,
5 to Section 1 of the Lanham Act which corresponds
6 to 15 U.S.C. 1051. We should just have 52 U.S.C.
7 Section 1 through Section whatever sections there
8 are.

9 MR. PARETSKY: That's correct.

10 MR. SAMUELS: Okay. So, if that's
11 correct, then couldn't the concerns about not
12 eliminating the shorthand references be addressed
13 by just essentially, let's say, you have Title 52
14 and just keep the coded sections corresponding to
15 what they currently correspond to? So, for
16 example, if somebody says they're filing a Section
17 2F Declaration, which is a term of art, and now we
18 know that refers to 1052F, it would refer to 52
19 U.S.C. 2F. Could we handle it that way?

20 MR. PARETSKY: It's possible, yes, given
21 the fact that it would work to some extent. With
22 the Lanham Act being consecutive numbers, we

1 generally try to break up the units so that, let's
2 say it's Chapter 3 which would not be Section --
3 what's 1091? That would probably start at, let's
4 say, 301 or something else rather than 1. So,
5 yes, maybe the beginning could work the same way,
6 but let's say definitions which is 45, I doubt
7 would be Section 45 of the new title. There would
8 be some renumbering.

9 MR. SAMUELS: Right, yes.

10 MR. PARETSKY: Again, we're aware of,
11 yes, there are specific, like you said, 2F motions
12 or whatever. Again, we try if we can accommodate
13 it to some extent, yes, but we understand that.
14 But on the other hand, down the road people would
15 get used to it being section whatever heading.

16 MR. TRUSHEL: I'd rather give a handy
17 name for it than to say that we can try to get it
18 to be 2F. For instance, I'm working on another
19 title myself, the Small Business Act. And in the
20 Small Business Act there is a term of art; it's a
21 Section 504 Proceeding. That's under Section 502
22 because Congress amended the act to change the

1 section numbers. So, it would be pretty hard.
2 And what we will probably be suggesting is giving
3 you, similar to the use of headings for those
4 sections, give it a short two or three word name
5 that people, we hope, would be able to get used to
6 rather quickly.

7 MR. SAMUELS: Okay. Any comments?

8 Ayala?

9 MS. DEUTSCH: I just was wondering how
10 you deal with, there aren't many but, changes to
11 the substantive law during the pendency of the
12 recodification. For example, there's a Trademark
13 Dilution Revision Act, I know, that's on the Hill,
14 and timing-wise how you coordinate that.

15 MR. PARETSKY: That's a good question.
16 All bills have a cutoff date, such as any laws
17 enacted before X, we pick up. In the interim,
18 there's also language that anything that gets
19 passed that would refer to the old numbers
20 certainly takes precedence over our bill. And
21 after a bill gets enacted, we come along with what
22 we call a clean-up bill to pick up all the stuff

1 that is enacted in the interim, integrate it into
2 the new title because with positive law, we can't
3 do things editorially as we can with non-positive
4 law titles, and as we do. So, Congress would come
5 along and amend Section 28 of the Lanham Act. If
6 it was after the fact, we couldn't put that in, in
7 the new title. We would come back and say,
8 Section 28 was Section X and integrate it in. So,
9 yes, we do come back through it for a second
10 sweep.

11 MR. SAMUELS: Maury?

12 MR. TEPPER: Just a sort of working
13 question: I was pleased to hear your openness to
14 seeking input for those who might be affected by
15 changes that perhaps are inadvertent. A lot of
16 practitioners rely on nuance, or legislative
17 history, or conference committee reports. Do you
18 have experience from other titles that you have
19 enacted into positive law in terms of continued
20 effectiveness or reliance by an industry group on,
21 say, a conference report from a 1989 revision?
22 Are those sort of equally valid in interpreting

1 the same definition once it's been enacted into a
2 codified version of the statute? I'm not sure if
3 I asked that question appropriately.

4 MR. PARETSKY: You mean as far as we're
5 concerned, or as far as the public is concerned?

6 MR. TEPPER: Well --

7 MR. SAMUELS: As far as the court is
8 concerned.

9 MR. TEPPER: As far as the courts are
10 concerned is my main issue.

11 (Laughter)

12 MR. PARETSKY: Far be it from us to
13 presume what the courts would say. We have a
14 string of court cases which we give at the
15 beginning, saying basically that what these bills
16 say do not change the law. There have actually
17 been cases where judges have determined, and most
18 of the time correctly, that we inadvertently
19 changed the law, and they will go behind our bill,
20 and go back to the old law if there was an
21 inadvertent change. We have had other cases.
22 Number one, when we dealt Title 49 Transportation,

1 the judge just decided he didn't like the way we
2 had written it and changed it. It got overturned
3 later, so I don't want to presume. But there is a
4 long string of cases that previous holdings,
5 certainly previous court cases, opinions,
6 solicitor opinions, AG opinions, GAO opinions, all
7 carry forward. We do not change things in that
8 regard.

9 MR. TEPPER: My follow-up question:
10 Then I trust it's not customary or necessary as a
11 part of this process to have everybody reintegrate
12 into the legislative history their favorite
13 provisions and interpretations, or to make sure
14 that in the Senate report that all these issues
15 are reentered into the record. That's what I was
16 more concerned about.

17 MR. PARETSKY: Okay, well, in terms of
18 the record, it's pretty straight forward. This
19 has been recognized and accepted by Congress that
20 these bills aren't the instruments to do that.
21 They're very specific, very technical bills. And,
22 again, how it's taken afterwards should be the

1 same way as it's taken before. These bills, and
2 again, this isn't the type of bill to bring
3 everybody's changes in. That's one of the things
4 we are cognizant of, and we keep on telling
5 people. One of the titles we're dealing with,
6 there's a provision. It was the National Capital
7 Planning Commission which was set up in 1953, and
8 they forgot to put in a thing about how you deal
9 with vacancies and who's in office. And we said,
10 well, okay, we see the problem, but this isn't the
11 place to fix it. You'll be doing what you've done
12 if our bill is enacted. You've identified the
13 problem; we've identified the problem; you can
14 then go back in new legislation. In fact, one of
15 the former Deputy Law Division Counsels always
16 said one of the main good things about a
17 codification project, it makes people look at the
18 law and realize where there are gaps, where there
19 are inconsistencies. And while they can't fix it
20 in our bills, they then could prepare legislation
21 and be aware of these things.

22 MR. TRUSHEL: We can, as I said, make

1 clarifications. It just depends on if everyone
2 agrees, and we do have the Judiciary Committee as
3 the authorizing committee in this case. So, we
4 can clean up around the edges. But, generally,
5 what those cases say is that when a legislature,
6 and this is across the board laws, State and
7 Federal. When a legislative body codifies its
8 laws, that it's presumed that the intention is to
9 keep the law exactly the same as it was in terms
10 of its legal effect, unless there's some intent
11 stated in the legislative history. So, if we do
12 some clean-up work to try to clarify some things
13 that appear to us to be inconsistencies, the
14 report show notes we did clarify this to make this
15 thing clear, so that would go. But otherwise, all
16 of your precedents remain in place. And if there
17 is some language in the new title that is
18 litigated because it's not perfectly clear, which
19 I'd hate to see, but if that's the case, you would
20 be able to go back to the legislative history
21 which originally enacted the law on which our
22 title was based.

1 MR. SAMUELS: Let's say you create a new
2 title. Would this title be exclusively reserved
3 for trademarks, whatever that title, or would you
4 anticipate putting more stuff in?

5 MR. PARETSKY: That's an interesting
6 question, only in the sense that we kicked the
7 around the idea which hasn't been decided. If we
8 were starting new today, you'd probably want an
9 Intellectual Property Title and take it all in.
10 We understand there's specific issues with
11 copyrights; there's specific issues with patents;
12 there's specific issues with trademarks. At this
13 point, I think we're leaning towards a separate
14 title, but if it could be accommodated to combine
15 with patents or something, we're open to that
16 certainly. But, again, we're coming at it as lay
17 people. If everybody else says, no, these things
18 are so separate that keep it as a separate title,
19 we'll keep it as a separate title.

20 MR. SAMUELS: It's only my view, but I
21 mean we have a separate title for patents,
22 separate title for copyrights.

1 MR. PARETSKY: Right.

2 MR. SAMUELS: Why not a separate title
3 for trademarks?

4 MR. TRUSHEL: But we do have at least --
5 we have one or two provisions. We have the
6 Property Rights Law Enforcement Coordination
7 Council. NIPLEC? Okay, which of course is all
8 intellectual property. Well, right now this
9 office stuck it in with the trademarks because we
10 just didn't have any other place to put it. And
11 then we have another piece, the cyber piracy
12 piece. So, as Ken said, we are considering the
13 possibility of looking down at a title that would
14 just cover all intellectual property, in which
15 case what we could do is take Title 35 and make
16 that a subtitle, and add trademarks in, and then
17 include the other piece, the cyber piracy, and
18 anything else. That's what we're thinking of, and
19 we've been talking with --

20 MR. PARETSKY: That's probably
21 long-term. In fact, NIPLEC is a perfect example
22 of the difference between positive law and non-

1 positive law, with copyrights being positive law
2 and patents being positive law, the office has not
3 other place to put it. So, even though, cut
4 across the board, well, okay, what was left?
5 Trademarks. So, they put it in as 1128, I think
6 it is. Because we cannot make editorial changes
7 or editorial additions to non-positive law titles.
8 Congress has to specifically say, amend Title X,
9 I'm sorry, Section X at Title 35, or whatever.

10 MR. SAMUELS: And, of course, there are
11 some general provisions in Title 35 that relate to
12 trademark operations.

13 MR. PARETSKY: Right, with the office
14 being established. Yes, right, the office is
15 established in 35.

16 MR. SAMUELS: Right. Ayala?

17 MS. DEUTSCH: One clarification with the
18 legislative history: Is the legislation history
19 for the prior legislation incorporated or
20 incorporated by reference, or from a citation
21 standpoint, what happens to it under the
22 recodification?

1 MR. PARETSKY: We don't bring it up.
2 It's still there. It exists as it does now. I
3 mean, if there was some point that we felt had to
4 be, that language had to be changed, or the intent
5 of certain language that we're carrying forward,
6 or with a slight change, or clarification was
7 based on something; and there was reference in the
8 previous legislative history, or debate on the
9 floor, or what have you; we would bring that in as
10 a note. But in terms of a general rule, we do not
11 cite.

12 MS. DEUTSCH: It doesn't have a new
13 legislative history; it's just almost lacking in
14 what we would view as typical legislative history.

15 MR. PARETSKY: That's correct in terms
16 of legislative history, yes.

17 MR. SAMUELS: In other words, all of the
18 old legislative history --

19 MS. DEUTSCH: And that's how you cite
20 it?

21 MR. SAMUELS: -- would be made
22 available.

1 MR. PARETSKY: Yes, oh, yes.

2 MR. SAMUELS: Right.

3 MR. FRIEDMAN: It would be a mapping.

4 MR. SAMUELS: Pardon?

5 MR. FRIEDMAN: A mapping between the old
6 and the new.

7 MR. SAMUELS: Sections.

8 MR. TRUSHEL: A correlation, yes.

9 MR. PARETSKY: A correlation, yes. But
10 in terms of, even going back to the introduction
11 of the Lanham Act, that legislative history, we
12 wouldn't incorporate it. If you had, say, well,
13 back from the beginning, it meant this. You'd go
14 back to that report. We don't bring it up.

15 MR. SAMUELS: Maury?

16 MR. TEPPER: On a going forward basis,
17 if the Lanham Act were codified, how different
18 would the process of amending the act be? Let's
19 say in the future, that a group decides they need
20 special protection for whatever symbols of
21 tradesmen in a certain region of the country, and
22 that comes up every year in Congress. Would it be

1 any more difficult, any different, in terms of
2 their process for amending the statute, or would
3 it --

4 MR. PARETSKY: Well, actually, it would
5 probably be easier. You would amend the title
6 directly. And what we have found a number of is
7 if you have an outdated compilation of using the
8 U.S. Code, we make editorial changes in terms of
9 updating name changes. A lot of times, the
10 Commissioner became the Director. If it wasn't
11 specifically in the law, the Code would say
12 Director. Well, if somebody used the Code and
13 said amend Section X by deleting blah, blah, blah,
14 and it said Director, that's not technically an
15 amendment because the law still said Commissioner.
16 But if there was a positive law title, what you
17 see on the printed page is the law. So, it's
18 easier for our purposes then in making changes to
19 the Code because we don't have to say, this really
20 couldn't be enacted, but this is the problem we'll
21 take to Congress. So, it's easier in that regard
22 because you see the law as it is.

1 MR. TRUSHEL: But, politically, there's
2 no difference. In other words, the people don't
3 look at a positive law title as being more
4 sacrosanct, and we can't amend it or anything like
5 that, no.

6 MR. TEPPER: I doubt that they would.

7 MR. SAMUELS: What is your timeframe, or
8 do you have one?

9 MR. PARETSKY: Moving it as quickly as
10 possible, certainly, we'd like. We always get
11 caught at the end of sessions, not sessions, full
12 Congresses because then they have to be reenacted.
13 So, we like to get it done as quickly as possibly
14 to give as much time for people to comment as
15 quickly as possible, and also to let it go through
16 the Congressional process because, obviously,
17 these aren't hot button items in Congress. So,
18 we're somewhat at the mercy of when they get
19 called up. Maybe we can get a draft done by the
20 end of this year. And I was telling Amy if
21 Congress stays until the end, and we can get it
22 introduced, fine. If not, we could probably even

1 circulate a draft bill, start it for comment
2 before it gets reintroduced. And, hopefully,
3 certainly by the end of 2006, we'd like to get
4 this through. But now that we're working with
5 smaller units of law, we have a better chance of
6 that. On the other hand, we've had bills that
7 have been introduced in January and February that
8 still haven't been recorded for various reasons,
9 not controversy; it's just that they're sitting
10 there, and we just have to try to get them out.

11 MR. SAMUELS: Well, let me ask the
12 question this way. Does anybody on T-PAC have any
13 objections to this concept? Does anybody have any
14 other questions? Okay, well, I think that we
15 certainly would like to be involved to the maximum
16 extent possible. I guess I'm addressing this more
17 to Amy now than anybody. So, if you would be able
18 to share with us any drafts or revisions to those
19 drafts, especially since we're talking about a
20 relatively, from our perspective, fast timetable,
21 I guess we would appreciate that because we'd like
22 to have some input on this.

1 MR. PARETSKY: I appreciate it.

2 MR. SAMUELS: But, certainly, I think
3 you should take away from the discussion today
4 that, at least at this point, we encourage you to
5 proceed and look forward to your work product.

6 MR. PARETSKY: That's good to hear, and
7 we look forward to working with you. As I said,
8 nothing goes forward until everybody signs off.
9 So, we are open to any discussion at any time.

10 MR. SAMUELS: Great. Maury, did you
11 have one more comment?

12 MR. TEPPER: I guess just to add to the
13 with all deliberate haste comment, the
14 stakeholders that you are considering discussions
15 with, I trust you already know the AIPLA and its
16 pace, decisionmaking, and procedure. I think in
17 terms of your stakeholders, the IPLA, and IPO, and
18 INTA, end of this year probably would give them a
19 lot of heartburn, but sort of working a draft and
20 having time to discuss it over the next year is
21 likely going to be a much more manageable process,
22 just a thought.

1 MR. PARETSKY: No, I didn't mean this
2 year to get the bill done. I meant the quicker we
3 get it out, the more time people have to review
4 it. I've been at the office long enough that
5 we've had to start things over again. So, I mean
6 if it has to go to the next Congress, it will have
7 to go to the next Congress, but we'll just try to
8 work it, and it will get done when it gets done.

9 MR. SAMUELS: Well, thank you for
10 joining us.

11 MR. PARETSKY: Thank you for having us.

12 MR. SAMUELS: Okay, I see that Mr. Dudas
13 has joined us. Jon? Why don't we as a first
14 thing swear in the new members, and then we'll
15 have the Under Secretary and Director Dudas make some
16 brief remarks and answer some questions? So, I
17 guess, would the new members come on up?

18 Okay, well, obviously, we are joined now
19 by Under Secretary and Director of the Trademark
20 Office, Jon Dudas, who will talk to us a little
21 bit, I think, about what's going on in the office
22 and at least what's on his mind. And then, we'll

1 sort of open it up to questions from anybody on
2 T-PAC. So, Jon, I'll turn the mic over to you.

3 MR. DUDAS: Thanks very much. Thank you
4 all for being here and thank you particularly the
5 new members. What I'll do is just go over some of
6 the issues that we are having, the kinds of things
7 I'm happy to report really a lot of successes on
8 the trademark front. I appreciate all of you
9 being here. We take very seriously the role you
10 play, and I know you take very seriously the role
11 that you play. What I'd like to do is talk about
12 just two different fronts. One is the
13 administration of the office, and then the other
14 is what's happening on more of a policy front.

15 When it comes to the administration of
16 the office, I think our trademark examiners, and
17 support staff, and managers, everyone in
18 Trademarks deserves a real hand. It hasn't been
19 an easy year, but it's been a year where nearly
20 every goal that was set out has been exceeded,
21 everything from electronic filing to electronic
22 processing to production. And one thing that's

1 important for everyone here to understand, I
2 think, is how important it is that we measure
3 production, not necessarily pendency. We are
4 stewards for pendency as well, and we need to make
5 certain we have the right policies in place so
6 that pendency is at the ideal frame. And we're
7 actually on our way to bringing pendency to, I
8 think, the ideal framework. We have a plan that
9 will get us there. I am certain that we will
10 achieve that. But one of the things that has been
11 incredibly useful is to be able to report out in a
12 way on production. From an administration and
13 management standpoint, it's important to know how
14 well our folks are producing as importantly, if
15 not more importantly, as quality. But I do think
16 that there have been times when our office has
17 been held to a standard of pendency that is
18 difficult to meet because pendency is relatively
19 low, and it involves outside factors like number
20 of filings, and rate of filing, and there are
21 issues. So, that's something that we've echoed
22 throughout government, which is if you want to

1 know how well managed the office is or how good
2 the examiners are, the fact that they are beating
3 production goals, the fact that they are and on a
4 policy front beating electronic filing goals,
5 etcetera, those are elements of great news.

6 So, I'd like to just commend everyone in
7 Trademarks. We will show you what our plans are
8 going over the next several years, over the next
9 year what our goals are, but I'm pleased to be
10 able to report that we have very realistic goals.
11 They're stretch goals, but this year managed to
12 meet them, in fact beat almost every one of them.
13 And I expect that you'll have an opportunity to
14 comment on how we go at that in the future.

15 On the policy front, what you see
16 dominating our time, and a lot of times as I guess
17 you would imagine is piracy and counterfeiting.
18 The STOP! Initiative under President Bush's
19 guidance is really saying, in government we can do
20 a lot better job if we pull everybody together.
21 He has asked back in October. So, it's been
22 almost a year now, that President Bush called

1 together the secretary levels of the Department of
2 Justice, Department of State, Department of
3 Commerce and Trade representatives and said: We
4 need to be addressing this. We need to make
5 certain we have the right way to handle this and
6 that we have the highest levels of government
7 understanding how important this is. Since that
8 time, President Bush has raised it at the G-8.
9 He's raised it with leaders in China, leaders in
10 Russia, and throughout the country. So, one great
11 piece of news from the policy front is that
12 President Bush is engaged on the IP front. You
13 won't see that as listed out as the number one
14 priority President Bush has, but you will see that
15 actions speak very loudly, and that on every front
16 -- on the trade front, on the development front
17 for countries, and on our free trade agreements,
18 etcetera -- IP figures prominently.

19 On piracy and counterfeiting, we are
20 doing a lot more to educate folks as well through
21 the PTO. So, the Secretary has really made it one
22 of his top goals. He understands IP. He was the

1 CEO of Kellogg's. He's had experience in China.
2 He's had counterfeiting issues. He understands
3 trademarks, particularly. And so, it's something
4 that's been important to him. So, we have put
5 together a package and worked with the Secretary
6 on things that we can do internationally.

7 One of the things we've found is that we
8 have an affirmative duty to educate small
9 businesses. We had thought small
10 businesses understood the importance of their
11 marks, the importance of their patents, understood
12 international law a little better than we
13 thought that they had.

14 So, we've done some focus group, some studies on
15 small businesses and found that even for small
16 businesses that have described IP as critically
17 important to them, less than one in five knows
18 that a U.S. patent is good only in the U.S. So,
19 we realize there's a lot that we have to go out
20 and do. There's a lot that's available to them
21 through our STOP! Hotline, though our web site.
22 We've reached out and had some small business

1 initiatives. I can go into more detail, but
2 probably the best thing to do is to let you ask
3 questions. We've had a number of small business
4 initiatives throughout the country that will
5 culminate in a series of videos that can be used
6 by any small business anywhere. We've found that
7 we get several hundred small businesses to show up at
8 these seminars with very few negative comments. The
9 comments are generally just "We need you to get out
10 more," "How can you do more of this?" "We need to
11 understand this." In Phoenix, a company came up
12 and said, "I'm just about halfway through a deal in
13 a China, and I didn't realize there were IP
14 issues. So, my jaw hit the table, but it's good
15 that we're able to have this conversation because
16 there are IP issues in China."

17 We're also sending attachés throughout
18 the world, but in particular places, so we've had
19 an attaché in China. It's made a dramatic
20 difference, at least from our vantage point, to
21 have someone who speaks Mandarin, who's on the
22 ground, who's an IP lawyer. And we're going to

1 send more folks to China. We'll send someone to
2 Brazil, someone to Miami to cover the rest of
3 Latin America, someone to Russia, someone to the
4 Middle East probably Israel, and we'll send
5 someone to, again, Russia, China, and India,
6 so, some of the hotter spots right now.
7 That's underway. We're working with the State
8 Department and the Foreign Commercial Service on
9 getting that done. Our Intellectual Property
10 Rights Academy is being expanded to about four
11 times what it is now. There's just an incredible
12 amount of demand. There's a lot of things that we
13 do where we carry the stick around, and we need to
14 do that, but there's a lot of things we do where
15 we carry the carrot around as well.
16 So, today, I was intending to meet with,
17 although they had some visa issues, folks from
18 China, a whole group from China who are going to
19 come in. We'll help train them on how to
20 implement the copyright treaties. We've gotten a
21 commitment from China that they'll get that
22 through their legislature by March of 2006. So,

1 we have a lot going on in November. I'll be in
2 China, co-chairing the International Property
3 Rights Working Group along with the USTR Deputy
4 Trade Representative to discuss issues that are
5 going on in China. We have, obviously, a very
6 much counterfeiting focus there as well as piracy.

7 With this group, there are so many
8 different areas. I can go much more in depth on
9 what we are doing on the policy front and what we
10 are doing administratively. Why don't I do this
11 without taking up too much of your time? Why
12 don't I open up to questions and see what your
13 focus is? And I'll try to answer anything that
14 you have. If for some reason I can't, we've got
15 folks that can, but I'd love to answer any
16 questions you have.

17 MR. SAMUELS: Okay. Questions for Mr.
18 Dudas? Al?

19 MR. TRAMPOSCH: Jon, could you say a
20 little bit about what you're doing on the
21 international front from the point of view of
22 trademarks? I know there's a discussion about

1 revising the Trademark Law Treaty; we implemented
2 the Madrid Protocol; but there may be other things
3 that you have in mind as well.

4 MR. DUDAS: Well, I think you're hitting
5 the two top areas. And one of the things we're
6 doing with the Madrid Protocol is encouraging
7 other nations to join Madrid. As you all know, it
8 was a long time coming, joining Madrid, and we had
9 a lot of issues in the United States, issues
10 completely unrelated to trademark law. First,
11 they were related to trademark law or
12 international diplomacy, and then they were
13 related to judges, and midnight basketball, and
14 other things. But what we heard throughout the
15 rest of the world was that we're going to join as
16 soon as the United States, or we're going to join
17 as soon as we get the right languages. And both
18 of those preconditions have been met. The United
19 States has joined, and I think the language issues
20 were Spanish. And was Portuguese one of the
21 language issues? No? Okay. It always is with
22 one country. Even though there are many

1 Portuguese-speaking countries, there's one in
2 particular that's not Portugal. So, what we're
3 doing is encouraging other nations. There's a lot
4 of that going on, somewhat challenging, somewhat
5 prodding, somewhat working with folks. We've had
6 a team up from Brazil, talking to them about what
7 they can do to prepare for joining, for handling
8 electronic filings in Madrid, and we're working
9 with a number of Latin American Nations.

10 TLT, I think the best information you're
11 going to be able to get. I don't know if anyone
12 is reporting out from Trademarks, but we have
13 fresh news from Geneva that goes even beyond what
14 I have because I had to come back from Geneva a
15 little bit earlier. But, generally, good news,
16 particularly in light of the fact that at WIPO
17 it's been very difficult to move anything forward
18 of any kind. And the United States has been
19 really leading and pressing to get things done at
20 WIPO, and in the absence of getting things done
21 there, let's find out ways to get it done
22 elsewhere and bring it back into WIPO.

1 And then, I would say in the top three,
2 the others, the counterfeiting issues that we're
3 dealing with are really both positive education.
4 I failed to mention we're also trying to have an
5 education. We're having an education campaign on
6 counterfeiting and piracy with kids. As part of
7 the Small Business Initiative, we're also doing
8 something through schools that you'll see very
9 soon in the next few months where we'll get to 80
10 school districts, and eventually 800, and
11 eventually we won't stop until we have them all
12 covered but informing children of intellectual
13 property, its meaning, why it's important. And
14 we'll have contests and other ways that we think,
15 based on some programs we've had in the past, that
16 teachers will be inspired to use this as part of
17 their teaching programs on a voluntary basis. But
18 we think we can get a lot of folks involved.

19 MR. SAMUELS: Ayala?

20 MS. DEUTSCH: I had a question about the
21 STOP! Initiative. First of all, as somebody who
22 works at a brand owner that has a lot of

1 counterfeiting, both piracy of content and hard
2 goods counterfeiting, for what it's worth, we've
3 detected a real difference in the awareness level,
4 and commitment, and the integration among Federal
5 law enforcement units in the last, I would say, 18
6 months or so. It's been great, and so I've met
7 with two prosecutors in DOJ, people in ICE, people
8 in every Federal acronym you can come up with.

9 But I guess my two questions are: One,
10 I vaguely recall hearing things about STOP!2, and
11 I wanted to know a little bit more. Is that just
12 STOP! in its second year, or is it something
13 different? And then the other thing is the
14 question I kind of always ask which is, aside from
15 T-PAC, what can companies, actual private sector
16 entities, do to assist you in these efforts and to
17 further promote the goals that you have as part of
18 this program?

19 MR. DUDAS: Thanks very much. As you
20 know, it's really pronounced STOPC for
21 counterfeiting. STOP!2 really is the discussion
22 of how to go forward, and STOP!2 is probably more

1 likely to be really how are we communicating,
2 what's getting done through STOP!. There's not a
3 whole new set of initiatives. STOP! has always
4 been intended to be something that is an ongoing
5 function. So, we meet at the White House. Chris
6 Israel, who's someone that has worked at the
7 Department of Commerce, has been named as the
8 NIPLECC Coordinator/International Coordinator.
9 Really, I think what we'll see is that we'll
10 probably see STOP! being handled through NIPLECC.
11 So, NIPLECC is something we had gone -- I'm a
12 co-chair of NIPLECC along with Assistant Attorney
13 General for Criminal at the Department of Justice.
14 And one of the things we had done for a few years
15 was made clear. NIPLECC can't really work unless,
16 can't be as effective as we'd like it to be unless
17 we really get central involvement through the
18 Administration, White House involvement, NSC
19 involvement. We have that, and that came through
20 STOP!. That was one of the things that we had
21 pressed for, and we think that NIPLECC might be the
22 way to bring STOP! forward. But STOP!2 is not a

1 whole new set of initiatives necessarily; what it
2 is, is we need to make certain that everyone knows
3 what's continuing with STOP!, how things are
4 panning out, show results, and show there will be
5 new initiatives. But it won't be STOP!1 and then
6 STOP!2; there should be an ongoing rolling base of
7 new initiatives. One of the things is to
8 communicate those and make certain they're what
9 are useful to folks out there as well.

10 And that rolls into your question of
11 what can companies do. I think what you're doing
12 is very important: Just letting, being very
13 forthcoming, being critical, constructively
14 critical as much as you can about what needs to
15 get done, and letting government know where it's
16 been effective at STOP!, where it's been
17 ineffective, and where there are opportunities to
18 do things that will mean more. We certainly don't
19 feel like, and obviously the way intellectual
20 property works, is a lot if put on the owner, the
21 brand owner, and that makes a lot of sense.

22 There's an incredible partnership that

1 can happen between government and the private
2 sector. We certainly have avenues to get things
3 done as government that the private sector doesn't
4 necessarily have. The private sector has means,
5 and resources, and ways of getting things done
6 that government can't. So, keeping the dialogue
7 going about where can we be most effective as
8 government is very helpful. And I will offer you
9 this: The one commonality for IP is, whether it's
10 free trade agreements, whether it's negotiations
11 on changes to the law, criminal law, etcetera, the
12 folks that you have here at PTO, our trademark
13 folks and our OLIA folks, are always involved in
14 that discussion. So, I would hope that you would
15 find an audience wherever you went. Certainly,
16 Chris Israel is going to be helping to coordinate
17 things, and it's very good not to have a head of
18 an agency coordinating things because if PTO does
19 it, or the Department of Justice does it alone,
20 well, is this just for DOJ, is this just for PTO.
21 So, that takes that away. If you find that you're
22 having difficulty coordinating with anyone or

1 getting a point across, you should feel very
2 comfortable letting us know because we work with
3 everyone on these fronts.

4 And we've found that even through our
5 STOP! line. Every time I say that, I always say
6 what it is, but you guys all know. But even
7 through our STOP! line, we've found that having an
8 intellectual property attorney answer that phone,
9 we can answer 80 percent of the questions people
10 have, including somebody who was starting up a
11 counterfeiting business. We managed to talk her
12 out of it.

13 (Laughter)

14 MR. DUDAS: She had this sense that
15 maybe there was something wrong with that. I'm
16 going to be selling purses and handbags. She had
17 -- what was the -- do you remember what the name
18 was, Eleanor? It was like "Copycats" or something
19 like that. And so, we talked her out of that.

20 (Laughter)

21 MR. DUDAS: But also, if we don't know
22 the answer, we usually get them, we always get

1 them, to the right folks. And if they need a
2 follow-up, we can get them there. So, we can
3 operate in that regard as well. Really, I know
4 it's a simple answer, but just constantly giving
5 us feedback on what needs to be done. And again,
6 don't be afraid to criticize, at least when you're
7 talking to us. We, unfortunately, welcome
8 criticism.

9 MS. DEUTSCH: Well, special praise to
10 Mark Cohen, the IPR Attache in Beijing and his staff
11 because they were really great, and we worked with
12 them late last year on an IPR referral form with
13 the Chinese government, and we were one of the new
14 people to use the new referral form that came out
15 of this.

16 MR. DUDAS: That's great.

17 MS. DEUTSCH: They were fantastic.

18 MR. DUDAS: That's great.

19 MS. DEUTSCH: So, that's positive
20 feedback.

21 MR. DUDAS: That's wonderful. By the
22 way, a lot of times -- I'll be on my fifth trip to

1 China in a little over two years. Just going
2 there a number of times makes a difference. But
3 the change from going from we don't have a problem
4 -- literally, time after time, we don't have a
5 problem, and somehow my strong arguments were lost
6 in translation about how there is a problem -- has
7 gone from that to really an acknowledgement of the
8 problem. We have issues with how quickly things
9 are moving, but we have a list. Literally, we
10 have 6 areas, 62 points. We're down in the weeds
11 with each of the agencies in China, and we work
12 with customs, the prosecutors; we work with
13 everybody. So, as far as if you have any kind of
14 issue, and you have good ideas on how to get
15 things done, there are huge opportunities there.
16 I know you all understand. Sometimes it's almost
17 embarrassing to explain to people how big the
18 problems are. The upside of that is there are
19 tremendous opportunities for relatively simple
20 things that can make a difference, at least
21 challenge the Chinese government to take them on.

22 MR. SAMUELS: Joshua?

1 MR. ROSENBERG: Hi. I'd like to, first
2 of all, congratulate you on your work on China. I
3 think it's actually had some positive effects, at
4 least in words. The attitude we're getting back
5 from the Chinese is much better. However, still
6 four out of five ink cartridges in China that say
7 Hewlett-Packard are not Hewlett-Packard. So,
8 that's still bad. The other area that I want to
9 ask about has to do with Taiwan. It seems the
10 Taiwanese DEMs that make computers are probably
11 the most flagrant abusers of intellectual property
12 I can think of in the world. They tend to be \$4
13 billion companies that just go out and use our IP
14 and then import it into the United States. Are we
15 doing anything to think about how to approach
16 those very, very large and rich companies and the
17 government itself which protects them?

18 MR. DUDAS: The answer to your -- what
19 was the first point you made? I'm sorry. You made
20 such an emphatic --

21 MR. ROSENBERG: The first point was --

22 MR. DUDAS: -- second point.

1 MR. ROSENBERG: The first point was
2 you're doing a good job in China.

3 MR. DUDAS: Let's just focus on that.
4 No, no. I think --

5 (Laughter)

6 MR. DUDAS: I think you had gone on
7 further to say the talk is good, but is the walk
8 there? And that is the critical issue at this
9 point, is the walk there? It looks like it's
10 beginning to be there, and then it's the pace as
11 well. And so, that's a lot of what we're focused
12 on.

13 With Taiwan, I have heard this more
14 recently. Taiwan is an interesting case of where
15 they've had success and then where they've failed
16 again, and where they've had success and failed
17 again. So, the answer is yes, we've been talking
18 about it, discussing what's happening there. We
19 know about transshipment as well and issues with
20 particular companies. I will tell you that the
21 focus has been much more on mainland China because
22 of progress Taiwan had made. I still need to stay

1 on that. I know USTR is particularly focused, and
2 our guys have been very focused on that as well.
3 I think it might be worthwhile to give some of the
4 examples that you have, though, to some of our
5 folks as we head out there. It's something that's
6 important to raise. There are, obviously
7 political overlays that occur along these lines,
8 but one of the things that, for better or for
9 worse, that we're accused of here at the PTO is
10 that we are constantly worried only about IP, and
11 that we're very aggressive on every front.
12 Sometimes I don't think we ignore the politics,
13 but we just work through them. But this is
14 something that I'm beginning to hear more and more
15 about. The focus was so heavily on mainland China
16 and in Russia for some other issues. It's just
17 good that the point you're raising I'm hearing
18 more and more. I think there are specific
19 strategies we can take.

20 MR. LEICHLITER: I'm with du Pont.
21 We've seen counterfeiting really explode into a
22 global problem, and in most every product that we

1 have, unfortunately, find its way into
2 counterfeiting hands. Have you seen receptivity
3 from foreign governments to maybe act collectively
4 to trade information to get more involved on a
5 global basis with counterfeiting? We see for
6 example transshipments from China are going
7 through Dubai, and going into Eastern Europe quite
8 a bit, and then getting over to the common market
9 in Europe on a number of our products. And it
10 would be very helpful to have a collective effort
11 of governments to try to combat this.

12 MR. DUDAS: Yes. And the answer is yes,
13 we have been doing that. I'll give you some
14 reports on the progress. Most of it's good. Some
15 of it's not such good news. One of the
16 initiatives under STOP! was: If we can't
17 necessarily get at the producers as effectively as
18 we want to where we're working with each of the
19 producers, what about transshipment points? How
20 do we handle that? So, there's a lot of
21 international cooperation and discussion going on
22 through USTR, and our folks are supporting that,

1 and we're working very closely with customs on
2 that as well. We are also trying to point out
3 that the U.S. Speaking independently of Japan
4 speaking independently of the European Union
5 countries is we're greater than the sum of our
6 parts. So, there have been -- and as well as a
7 Pacific Rim collection of countries. On that
8 front, there's been a tour that was led. Our
9 Deputy Under Secretary went on one of these tours
10 to work both on the Pacific rim and also to work
11 with European nations. On that front, there is
12 much greater cooperation we think that we're going
13 to have with Korea. In the Pacific Rim, we're
14 getting a lot better cooperation, developed
15 nations in the Pacific Rim. Japan, always good
16 cooperation; Koizumi is very focused on IPR and
17 has put in place a number of things that we're
18 working on, along with USTR on how we can work
19 more cooperatively.

20 And we're trying to work more
21 cooperatively with the EU. There is where you get
22 a bit of a rub on some of the other issues where

1 we are sometimes at odds with the European Union
2 on other intellectual property issues. Sometimes
3 the -- I almost called them games; I wouldn't call
4 them that; I would call them the discussions. How
5 do you work with the developing nations when the
6 U.S. and the EU are at odds over, say geographical
7 indications or something else? Our view is, no
8 matter how you look at it, we can all agree on
9 this is the same; it's true for industry. We all
10 agree on that counterfeiting and piracy is bad.
11 We can't seem to get witnesses to come in and say
12 why counterfeiting is good or piracy is good.

13 (Laughter)

14 MR. DUDAS: Occasionally, in Geneva, you
15 do get that question. Who are you to tell us that
16 we can't develop our economy on this basis? I
17 say, well, look at Morocco. Morocco recognizes
18 they can't develop it on. They can't compete with
19 counterfeiters. Their own folks can't make it.
20 China can undercut Morocco on the counterfeiting
21 market, not to mention just the long-terms
22 effects. Every nation that has developed

1 intellectual property has shown that growth in
2 GDP. So, the short answer -- which everyone knows
3 I've never given -- the short answer is yes,
4 there's a lot of cooperation. We're working on
5 that front. We're seeing a lot better ability to
6 communicate together as a group of developed
7 nations. The U.S. has led an effort within WIPO
8 to have sort of Group B Plus: European nations,
9 Japan, Australia, Canada, developed nations. And
10 we've tried to carry that beyond just what's
11 happened in WIPO and have these discussions. So,
12 we're seeing a lot of progress in that area, but
13 there are some bumps in the road.

14 MR. SAMUELS: Anything else? Joe?

15 MR. Welch: Jon, what can you tell
16 us about the funding for STOP!, whether it's
17 adequate, what the prospects are for additional
18 funding?

19 MR. DUDAS: Yes, the funding for STOP!,
20 the funding that's in there right now is really
21 just to set up an office for coordination. I
22 think, in my opinion, it's sufficient. It's

1 necessary to have, but it's sufficient. If STOP!
2 is going to work properly, in my opinion, it's not
3 to create a new agency that handles IP or handles
4 counterfeiting or enforcement. It's to actually
5 truly get the government to coordinate better.
6 And I think that the structure can allow for that.
7 Again, having someone who has no -- short of the
8 President of the United States who, if the
9 President says something or the National Security
10 Council says something, people come together.
11 Having an office that works to coordinate that and
12 has the ear of the NSC is very useful. And, to
13 me, so long as that office is able to have access
14 to detailees and to people working that office,
15 they'll be fine. My position, my thought right
16 now is that the funding is certainly adequate.
17 I'd hate to see. I think it would be detrimental
18 to U.S. efforts if we ended up with just a whole
19 new bureaucracy. I don't mean that as a negative
20 or that bureaucracies are necessarily negative,
21 but it just causes further confusion to everybody
22 involved. We've seen that happen in some

1 programs. So, keeping it lean and mean, and it
2 certainly has enough right now as they staff up.
3 It could become an issue as time goes by. Will we
4 be better off if we say, use all our folks as much
5 as you want? We'll detail people; we'll offer you
6 space; whatever that takes. I think they're
7 getting the same reception in Justice, and State,
8 and U.S. Trade Representative.

9 MR. SAMUELS: Maury?

10 MR. TEPPER: Jon, just a quick question
11 on an update. I was pleased to hear we're in the
12 process of discussing whether the country has the
13 need to join the Madrid Protocol. One of the
14 other aspects that I think might make that more
15 attractive to U.S. companies and U.S. Trademark
16 owners was the Article 9 Conference or the
17 discussion of perhaps eliminating concepts like
18 dependency and central attack. But I hadn't heard
19 whether that -- there were some initial
20 discussions about the possibility of such a
21 meeting. I don't know if there's any traction on
22 that front. Do you have an update on that?

1 MR. DUDAS: No, I really don't. I'm not
2 certain. I don't know, Lynne, if you or perhaps
3 Lois Boland might have?

4 MS. BERESFORD: Amy would certainly
5 know, but my understanding is there's going to be
6 a meeting? Amy?

7 MR. SAMUELS: Amy?

8 MR. DUDAS: Crackerjack.

9 MS. BERESFORD: Amy, the question was,
10 and I think we are going to have a Madrid member
11 meeting where we talk about changes to the
12 protocol, but you would know more about that
13 meeting.

14 MS. COTTON: There was one ad hoc
15 working group meeting about in July of this year,
16 and we will be having, more than likely -- I
17 believe the General Assembly has voted on this,
18 that we'll be having another ad hoc working group
19 meeting maybe the first half of next, although I
20 think the later, the better honestly to start
21 working on how to approach it. There are some who
22 are hanging onto the agreement, that they don't

1 want to repeal the safeguard clause, and they want
2 to hang onto the agreement. So, we need to start
3 working that angle and get practitioners to back
4 off and say, well not say: We like the timelines
5 in the agreement; we don't like the timelines in
6 the protocol, so we don't want to be bound by just
7 the protocol. So, we need to get the
8 practitioners to back off just a little bit and go
9 with the protocol time limits rather than the
10 agreement time limits, and then we have sort of
11 cleared the decks to get rid of the agreement
12 altogether. But we need some time to work that
13 angle. The next SET meeting is late November, and
14 so we'll start the process, start stirring the pot
15 so to speak, then.

16 MR. SAMUELS: Maury's question, I don't
17 think you heard it because you were out of the
18 room, was: Are there discussions specifically
19 with respect to the dependency central attack
20 provision about eliminating them?

21 MS. COTTON: Not specifically, I don't
22 believe the working group got into that. I think

1 Norway has raised some issues with regard to
2 getting rid of the basic application registration,
3 but that's kind of down the pike. That's a pretty
4 aggressive approach to it, and maybe we'll get
5 there in the longer term but not in the near term.
6 So, in that context, certainly the central attack
7 issue comes up. But as for revising, no, the
8 issue has not come up specifically. If you would
9 like it to, please let me know.

10 (Laughter)

11 MR. SAMUELS: I think we probably would
12 like it to come up because we were talking about
13 this before the meeting began, but it is a
14 consideration for U.S. trademark owners, a
15 negative consideration with respect to using the
16 protocol to protect their marks overseas if their
17 registrations overseas are dependent on what
18 happens here. So, I guess we would like you to
19 pursue it, and we would be happy to work with you
20 on some ideas.

21 Al?

22 MR. TRAMPOSCH: I was going to lend my

1 support.

2 (Laughter)

3 MR. SAMUELS: Let me ask while you're
4 still here. Is the diplomatic conference for TLT
5 still on for the spring?

6 MS. COTTON: Yes, it's about March 13th
7 through the 30th. They've scheduled three weeks.
8 We hope it won't take three weeks. And it will be
9 held in Singapore.

10 MR. SAMUELS: And do you have a draft of
11 what's going to be considered, and if so, could
12 you share it with us?

13 MS. COTTON: Absolutely, yes, we have
14 that. It came out at the last meeting, and I
15 don't believe it changed at the general
16 assemblies. So, it should be the text that we
17 concluded.

18 MR. SAMUELS: If you could email me a
19 copy, then I could just forward it to everybody
20 else.

21 MS. COTTON: I will do that.

22 MR. SAMUELS: Okay, thank you. Howard?

1 MR. FRIEDMAN: Jon, first off, I really
2 appreciate you not divulging my name as far as
3 being the person calling for advice on how to set
4 up a counterfeiting organization.

5 MR. DUDAS: That's not a problem. I
6 knew you'd fess up as time went on.

7 (Laughter)

8 MR. FRIEDMAN: And I'm doing it in the
9 public form, so I can't think of a more open
10 process.

11 MR. DUDAS: What was most embarrassing
12 is Copycats was already trademarked, and that's
13 what we thought.

14 (Laughter)

15 MR. FRIEDMAN: You'd think I would have
16 thought it through.

17 MR. DUDAS: Yes, that was really our big
18 issue. Yes, improvement.

19 MR. FRIEDMAN: Well, maybe as a sidebar
20 later, we'll figure out how we can do it, or not.
21 As you probably know, last month, the Partnership
22 for Public Service and the Institute for Public

1 Policy came out with its most recent best places
2 to work in the Federal Government, where they rank
3 every, not only cabinet or department, but every
4 subagency, and the PTO finished tied for 143. I
5 also know that, of course, you had had a retreat
6 with your senior staff people a month or two ago.
7 I believe beginning last week, you started meeting
8 with the trademark managers. And I'm wondering if
9 part of that is a response to the question that
10 goes like this: What can we do to improve the
11 ranking between now and when the next survey is
12 done in the next year or two to improve the
13 ranking?

14 MR. DUDAS: Yes, one question on the
15 tied for 143, I think they stopped ranking after a
16 certain point in that.

17 MR. FRIEDMAN: I was trying to be kind.
18 The answer is yes, after 143. The 143 is
19 basically you're tied for last.

20 MR. DUDAS: Yes, but there are hundreds
21 of agencies.

22 MR. FRIEDMAN: Yes, there's a lot.

1 MR. DUDAS: It's tied for last, but
2 there hundreds of people tied for last.

3 MR. FRIEDMAN: Right.

4 MR. DUDAS: Not that that's where we
5 want to be.

6 MR. FRIEDMAN: Right.

7 MR. DUDAS: But I mean I think as they
8 were ranking the -- well, I think you raise an
9 important point about -- I mean I will note as
10 well, we've had Families Magazine come out and say
11 one of the best places to work is in the
12 trademarks area, partly because of the flexible
13 time, and the work schedules, and things like
14 that. So, I will say on the one hand, I want to
15 see us ranked as number one on every possible
16 ranking, and I think we have what it could take to
17 do that, and we should make certain that we're
18 doing that. But I do think we have seen sort of
19 inconsistencies in some of the awards we've gotten
20 and then how things are perceived as well.

21 So, I think on that front, the answer is
22 yes, one of the things we've talked about is

1 two-fold. One, how do we make certain that the
2 Patent and Trademark Office is the finest place to
3 work, that it attracts the kind of people that
4 come in. Secondly, how do we communicate how this
5 office is because, again, it begs. We constantly
6 question. Why do we get these recruiting classes
7 where we're getting the top of the line folks?
8 I've talked to someone who's recruiting in Patents
9 recently, and he told me he didn't talk to anybody
10 who was less than a 3.8., and they have people
11 that are dying to come to our office. And in
12 Trademarks in particular, we're able to attract
13 people who have worked in the office, have left
14 and worked in the private sector, and are coming
15 back, saying this is the most wonderful place to
16 work.

17 So, we have to figure out why do we have
18 this discrepancy? What are we -- are we not
19 communicating well enough? Do we have a tale of
20 two cities where some people are terribly upset
21 and others aren't? Do we have a situation where
22 people within the office don't recognize how good

1 it is? Or are we miscommunicating to people
2 outside how great the office is, so they're
3 attracted, and they come and find that there are
4 issues?

5 I think it's the fact that people are
6 coming back and some of the things we've had. I
7 think there are two issues. One is a
8 communication issue. Well, it's a communication
9 issue either way. It's communicating better to
10 folks and also listening more to what people are
11 having, what employees are having to say. That
12 was a particular focus on the management retreat,
13 how we can have better communication and two-way
14 communication so that we understand that, if we
15 feel that things are particularly positive in a
16 certain area but we're not hearing that, why is
17 that? Who's wrong? What are the issues there?
18 So, I don't want to get too wrapped up in
19 different particular rankings because we get such
20 inconsistent results, but I will say this, I'd
21 like to be sitting here telling you next year that
22 we're number one in this poll, number one in this

1 poll, number one in this poll in internal
2 satisfaction, so.

3 MR. SAMUELS: Yes, Bob?

4 MR. BUDENS: Jon, on kind of a different
5 question, we haven't had a briefing yet on the
6 budget for next year or we don't know what yet is
7 happening with 2006. Hopefully, we've been
8 getting allowed to keep our fees in 2005 and
9 presumably in 2006. However, and certainly
10 Trademarks is planning on using them for hiring,
11 and so is Patents. Are you hearing any rumblings
12 from the Hill whether Patents is going, not just
13 Patents, the agency is going to be asked to do its
14 share for the \$250 million or billion dollars for
15 Katrina?

16 MR. DUDAS: No, we --

17 MR. BUDENS: Are we going to get
18 diverted?

19 MR. DUDAS: I haven't heard rumblings
20 one way or the other. I am concerned that if we
21 were to hear rumblings, we would hear it at the
22 last possible second, and that would be the way to

1 work that. You don't let anybody know what kind
2 of hit they're going to take until the last
3 possible second. I will say with the way
4 President Bush has set up the budget, and the way
5 the Department of Commerce has followed on that
6 and OMB, and the way the Hill has addressed it,
7 it's a little more difficult than just saying
8 we're going to have an across the board cut
9 because the fundamental policy goal of having the
10 Patent and Trademark Office keep all of its funds
11 is that you're going to use user fees. So, I'll
12 liken it to another situation which is just there
13 was a time when if there were to be diversion,
14 this is going back before President Bush's budget
15 came out with no diversion whatsoever. It was set
16 up that if there was going to be diversion, it
17 would come out of the Department of Commerce, a
18 nice little way to make certain that, rather than
19 have to claim that this is going to midnight
20 basketball or something else, this is going to
21 have to be tough calls that are made within the
22 Department of Commerce. The tough calls were

1 made, and programs were cut within the Department
2 of Commerce so that PTO could make good on getting
3 all of its user fee funds.

4 So, I guess what I'm saying is the trend
5 has been, the philosophy has been, there's been a
6 commitment in the Administration to follow through
7 on that. That will has been shown even among
8 appropriators and certainly the authorizers on the
9 Hill. And so, I would think it wouldn't make a
10 whole lot of sense to do that at the last possible
11 moment when you see this thing come through. I
12 don't know exactly how it will come out, but
13 they're haven't, so there haven't been any
14 rumblings. In direct answer to your question,
15 there haven't been any rumblings yet. I wouldn't
16 expect it to happen, but I certainly wouldn't bet
17 my life on anything when it comes budgeting in
18 Washington. Are we on the record?

19 MR. SAMUELS: We are. We are, but we
20 could always modify it.

21 MR. DUDAS: That's fine. You can keep
22 it in there.

1 MR. SAMUELS: Jon, there was a recent
2 report I believe from the National Academy of
3 Public Administration recommending, I don't
4 believe for the first time, that the PTO become a
5 government corporation. I just wondered what, if
6 anything, will come of that from the office's
7 perspective? Is this something that you wish to
8 pursue or not?

9 MR. DUDAS: I would. From a personal
10 perspective, I'd love to pursue that. I think we
11 go back to the Taft Administration, the Kennedy
12 Administration, or Johnson Administration. A
13 number of reports going back in history and in
14 modern history that this is the way to do things.
15 I sit across the table from counterparts in Mexico
16 and Morocco, and we talk about how they can
17 operate like a business. These are developing
18 nations that understand the importance of IP so
19 they can take their money and invest their money.
20 They can borrow. I wouldn't even mind if we
21 didn't borrowing ability. But again, it makes a
22 whole lot of sense to do that. I think you can

1 maintain full oversight within the Executive
2 Branch and the Legislative Branch, and it is
3 something that I think makes a lot of sense,
4 speaking personally.

5 Now, getting something like that done,
6 the last time that there was a serious effort
7 undertaken to do that was at a time when the
8 Department of Commerce was being considered to be
9 taken apart and disbanded, and this was in answer
10 to that. I think it's something that our
11 Secretary and Deputy Secretary in this
12 Administration would take very seriously because
13 it is about good business. What are the right
14 practices? And that's what I'm constantly told.
15 What's the right thing to do here? I think it is
16 a Herculean effort when you look at what's
17 happened. And so, I think what we're doing now is
18 just -- I don't think. I know what we're doing is
19 evaluating what would be the likelihood that that
20 could happen. How would we go about getting that
21 done? What are the obstacles? I worked on the
22 Hill the last time that had taken place. What are

1 the obstacles that would need to be overcome, and
2 sort of taking stock of all that?

3 Quite honestly, some of the things that
4 we're doing through the other legislation, the fee
5 modernization legislation, and some of the ideas
6 that we have now are trying to get more of those
7 kinds of, I don't want to call it independence,
8 but trying to get more of the tools that you need
9 to be able to operate like a business. And I
10 won't complain about how difficult it is, but when
11 you don't know what your budget is going to be,
12 I'd be happy to just put money in the bank. And
13 then we'll put it back as a fee decrease into the
14 future once we realize that we have too much money
15 in the bank. So, it's something that we would
16 like to have an active discussion, but I can't say
17 it's top priority for the Secretary or the
18 President at this point, but it would be up to us
19 to try to put that on that.

20 MR. SAMUELS: Any other questions for
21 Jon?

22 MR. DUDAS: I can just take one more

1 minute to just say one thing. I called Amy a
2 crackerjack, and I wanted to explain that comment
3 because I think it makes --

4 (Laughter)

5 MR. DUDAS: It makes a lot of sense to
6 tell you the kinds of folks that you have working
7 here. I use Amy by way of example. I don't mean
8 to take away from her because she is absolutely
9 fantastic, but we see folks, like I think Lynne
10 could tell you about other folks like this.
11 Howard could tell you about folks like this that
12 work in Trademarks, the kind of folks that we have
13 here.

14 But we had Senator Voinovich, who was a
15 key vote for CAFTA, had said: I'm not so sure I'm
16 happy with all that's going on in China. I'm not
17 sure if I'm going to vote for CAFTA until I know
18 how things can be protected. He wanted to have a
19 STOP! hearing, and I was one of the people
20 testifying along with Department of Justice, and
21 Customs, and State. As I sat up there getting
22 ready to go up, and I felt very confident because

1 we had our STOP! Hotline in place. Everything we
2 had done, we managed to put in place very quickly
3 and I think very effectively. And the Chairman
4 came out and said: Well, I just want to let you
5 know I just called the STOP! Hotline. Is Jon
6 Dudas here? And I was about ready to raise my
7 hand. I felt very confident that things would
8 have gone well, but you still feel like the
9 principal is calling you out. So, I'm thinking,
10 what does this mean? I raised my hand. And he
11 said: I called down there. Amy Paige(?) is a
12 crackerjack. I can't tell you how excellent she
13 did. She answered every single question I had.
14 Because the Chairman had had an issue that
15 government wasn't helping. They were calling
16 about intellectual property issues they had. I
17 don't know what hotline it was; it wasn't into
18 this agency, where people were being put on hold,
19 etcetera. He said that's an issue for him when it
20 comes to voting for free trade agreements. I'm
21 sure there were a lot of other issues, but he went
22 on for the rest of the hearing talking about that

1 four or five times, defending the Administration,
2 ended up voting for CAFTA.

3 And again, it's just one of those points
4 where Amy -- I'm confident that anyone who would
5 have answered would have done a fantastic job.
6 Amy deserves a whole lot of credit, but you do
7 have people like that on a consistent basis
8 working here at the Trademark office and
9 throughout our office. So, the more we can
10 communicate to them how important they are, and we
11 can understand what issues they have, going back
12 to back to what Howard had raised before, I think
13 the better off we'll be.

14 Thank all of you for being here and
15 devoting yourselves because I know you have
16 fulltime jobs elsewhere. So, we're asking a lot
17 of you, but we appreciate getting your input and
18 your input.

19 MR. SAMUELS: Thank you, Jon. Thank you
20 for your time. We really appreciate it.

21 MR. DUDAS: Thank you.

22 MR. SAMUELS: Okay, the next item on the

1 agenda is the report from the Trademark Trial and
2 Appeal Board. We have the Chairman of the Board,
3 David Sams, joining us. Before David begins, I
4 wanted to mention, because I don't know whether
5 most members of T-PAC know, that Mary Frances
6 Bruce who has addressed this group many times in
7 the past has recently announced that she'll be
8 retiring from the agency within the next couple of
9 weeks, and we certainly wish her well. She's
10 been, if I recall, what, 19 years at the office
11 and has put in great service to the agency. And
12 we certainly appreciate her efforts here, and
13 again wish her the best.

14 David?

15 MR. SAMS: Yes, thank you, Jeff. You
16 stole a little bit of my thunder just then.

17 MR. SAMUELS: Sorry.

18 MR. SAMS: Maybe I'll elaborate on it a
19 little bit now. Mary Frances has spent 5 of her
20 19 years with the TTAB, and those have been a
21 period of remarkable achievement for us and in no
22 small measure because of her efforts. Many of you

1 know she worked very closely with the technical
2 experts at the TTAB and with the office of the CIO
3 to breathe life into and to make flourish the
4 various e-Government initiatives that the TTAB has
5 been so successful with, including our electronic
6 workflow system, TTABIS; our e-Filing system,
7 ESTTA; and also our public image document system,
8 TTABVUE. She also, as you may know, led our staff
9 of interlocutory attorneys to one of the most
10 productive periods they've ever experienced ever
11 since I've been to the Board anyway. She also
12 helped supervisors, other supervisors at the Board
13 do their jobs more effectively. She also
14 participated on cross organizational teams
15 including Trademarks, and Patents, and the CIO to
16 help improve the performance of the PTO as whole.
17 And not the least, as probably some of you in this
18 room know, she's always been available to resolve
19 any problem that might arise with anything that
20 might come up in your practice before the TTAB.
21 And to every one of these tasks, she's brought an
22 acute intelligence and an unfailing good humor.

1 And to say that the TTAB organization in general
2 and I, personally, are going to miss her would be
3 a pallid understatement. But I also wanted to add
4 my comment to go on record with this Committee
5 that we express deep appreciation to Mary Frances
6 for all her assistance and our wishes for
7 continued success in her future undertakings.

8 Let me make a very short report today,
9 so that I can entertain any questions you might
10 have about TTAB operations. First of all, a
11 statistic, I do want to report on some of the
12 successes we've had this year and what we see
13 coming up in the near future. The TTAB did meet
14 its goal this year of issuing decisions, final
15 decisions, and decisions on motions within 10
16 weeks on average, and that's measured from the
17 time a case becomes ready for decision until we
18 actually issue the final decision on the case or
19 on the motion. In fact, our performance was at
20 9.5 weeks which is under our 10-week goal, and
21 that had a lot to do with the effectiveness of our
22 e-Filing, more about which in a few minutes. Our

1 total filings for this year were up slightly,
2 about two percent from our filings in 2004. Our
3 projections for the coming year show a rise in
4 filings of appeals and oppositions which
5 correspond roughly to the recent rises that you
6 saw reported on this morning in the Trademark
7 operation, and projected rises in those
8 applications over the next couple of years.

9 Now, in the area of e-Government, the
10 news at the TTAB does continue to be pretty
11 excellent, I think. During FY '05, we added two
12 new filing options, as many of you know. Put
13 online a new electronic filing form for the entry
14 of changes to correspondence address, and we also,
15 if you use this file, this new filing form, you
16 get an automatic update without the need for
17 processing by any TTAB staff member. Second, we
18 made available a form for filing a good number of
19 consented motions to the Board which are granted
20 automatically and are with a corresponding update
21 to our database. The bar and trademark owners do
22 continue to be enthusiastic about all of these

1 forms that we have online. Our most recent
2 reports, in fact, show that 84 percent of
3 Extensions of Time to Oppose are now being filed
4 electronically, as are 58 percent of Notices of
5 Opposition, 59 percent of Petitions to Cancel, and
6 47 percent of Ex-Party Appeal Filings, and these
7 high e-Filing levels exceeded even our own
8 optimistic projections for this year. Finally, on
9 the e-Government front, work is now well underway
10 for the deployment in December of this year of a
11 further upgrade to our automated ESTTA filing
12 system that will permit the automated, automatic
13 of oppositions once the Notice of Opposition is
14 filed electronically.

15 I sometimes get asked about how Madrid
16 Protocol is affecting the Board. I can tell you
17 that the TTAB now has received, at last report
18 that I had, about 40 Oppositions to Request for
19 Extension of Protection filed under, filed in the
20 U.S. under the Madrid Protocol. And there are
21 about 100 more cases for which Extension of Time
22 to Oppose have been granted for those kinds of

1 cases. But so far, as I am aware, we haven't
2 issued any final decision in a trial after the
3 merits of any case that was filed on the basis of
4 the Madrid Protocol.

5 On the topic of TTAB practice and
6 procedure initiatives, I can report that several
7 days ago we did provide this Committee with a copy
8 of a Notice of Proposed Rulemaking, the principal
9 feature of which is a set of rules that require
10 early disclosure of information in TTAB Opposition/
11 Cancellation Proceedings. I should give credit to
12 two of our staff. Gerard Rogers, who did the
13 yeoman's work on this rules package, and a good
14 job it is. He was assisted by Nancy Omelko, who
15 has now gone to the Office of External Affairs,
16 International Relations group, but she should also
17 be commended for her work on this project. The
18 proposed rulemaking also contains a rule requiring
19 the opposer to serve its Notice of Opposition on
20 the applicant, changing a longstanding current
21 practice of the Board by which the Board received
22 the notice and then itself made service on the

1 defendant in the case. The T-PAC Subcommittee on
2 the TTAB has been instrumental in working with us
3 on developing this rules package, and we
4 appreciate all of the help we've received from
5 them. We also remain open to any additional
6 comments that this Committee may have about the
7 proposed rulemaking.

8 As part of our effort to continuously
9 improve our quality of decisionmaking, the Board
10 began this fiscal year a program of quarterly
11 meetings for TTAB judges and attorneys that focus
12 on various aspects of substantive law, as well as
13 the preparation of opinions and orders, and the
14 PTO practices and procedures that have some impact
15 on TTAB practice. We've had two such quarterly
16 meetings. We found them to be very productive and
17 useful for our judges and attorneys in their work,
18 and in particular in their opinion writing.

19 We've also turned our attention to
20 improving the knowledge and skills of our
21 paralegal staff. An outside contractor conducted
22 multi-week courses for our paralegal on legal

1 research and legal writing, and volunteers from
2 our corps of TTAB judges and from the Trademarks
3 organizations have presented training modules for
4 our paralegals, all on the substantive trademark
5 law, and TTAB practice and procedure. This is all
6 been effort to raise the level of practice by our
7 paralegals. As you probably know, the paralegals
8 in the TTAB do a lot of the basic work of orders,
9 and we wanted to make sure those are of the
10 highest possible quality.

11 Also, coordinating with the Office of
12 Trademark Quality Review, we've just begun work on
13 developing some training modules for trademark
14 examining attorneys, on two modules actually: One
15 on the nuts and bolts of TTAB appeal process which
16 particularly some of the new examining attorneys
17 don't understand completely, and we think it would
18 be helpful for both the Board and for the
19 examining operation to give as much information as
20 possible to them; and the second one on building a
21 proper evidentiary case for supporting refusals of
22 registration. As I say, we just preliminarily

1 began talking with the Office of Quality Review,
2 and we think it has potential for raising the
3 level of quality.

4 I can also report that the TTAB has
5 received the Committee's suggestions as to the
6 areas of law for which it would like to see more
7 citable TTAB precedents. This fiscal year, we'll
8 be setting up a procedure for trying to identify
9 those cases where those issues that you've
10 identified for us are present, so we can take a
11 closer look to see whether or not we can and ought
12 to publish more of our opinions in those areas as
13 citable precedents. And we've also asked the
14 examining operation to identify for us those where
15 the examining attorneys, managing attorneys, and
16 administrative staff of the Trademarks
17 organization think there might be some gaps in the
18 jurisprudence of the Board that we might be able
19 to fill.

20 That's my short summary, and I'm
21 perfectly willing and happy to take any questions
22 or comments as you might have.

1 MR. SAMUELS: First, with respect to the
2 proposed rule package, I know that we have some
3 additional comments that we'd like to offer to
4 you. I asked Joe Welch and Maury Tepper to sort
5 of take the lead. They reviewed the proposed rule
6 package, and I don't know whether you want to go
7 over anything now. I think, in general, it was
8 very positive. I think right now we're sort of at
9 the editorial and organizational stage of
10 comments, but I'll ask Maury or Joe if they want
11 to offer any comments or suggestions now.

12 MR. TEPPER: I think one thing,
13 obviously, David, when we read through the
14 rulemaking, it is a very good effort, and we had
15 the benefit of having been engaged in discussions
16 with the Board over the concepts that were in
17 there. So, just to let you know, I think a lot of
18 our comments sort of went towards preparing
19 practitioners who would be viewing this for the
20 first time and really were more at the level of
21 moving explanations around, which sometimes were
22 found later in the materials, maybe bringing those

1 up front a little more, helping to prepare your
2 audience. They were largely at that level. We
3 had a couple additional sort of substantive
4 comments in dealing with disclosure of experts and
5 some of the timetables in there, but our comments
6 in large part I think you will find to be more
7 from an editorial nature, as Jeff characterized
8 them, in trying to prepare the rulemaking for a
9 reader who may not have had any background, or
10 insight, or discussion into why is the Board
11 looking into this and what is this going to be
12 mean for me, to try to help make it a little bit
13 more friendly to the first time reader.

14 Joe, I don't know if you have anything.

15 MR. WELCH: Yes. No, I agree with that,
16 Maury. Largely, they're editorial and designed
17 towards helping practitioners, who haven't had the
18 benefit of going through this process with you,
19 understand why some of these suggestions are being
20 made. We have written up some of our comments,
21 and I think Jeff is suggesting we forward those to
22 you.

1 MR. SAMS: That would be fine. Yes,
2 we'd love to have them.

3 MR. WELCH: One, I'd mentioned
4 specifically because we noticed it wasn't in the
5 proposed rulemaking, and I'm sure you considered
6 it, but it was this idea of offering mediation at
7 some stage. We were thinking, for example, at the
8 time the Scheduling Order was sent out, the TTAB
9 could say, should the parties wish to have
10 mediation services provided, do such and such.

11 MR. SAMS: Yes, I think that we're not
12 averse to that at all, and it might be part of our
13 operating procedure rather than part of the rules.

14 MR. SAMUELS: Yes, it doesn't have to be
15 in the rules. I don't think it belongs in the
16 rules.

17 MR. WELCH: Right, it doesn't have to be
18 the rules.

19 MR. SAMS: Yes.

20 MR. WELCH: Okay, and as Maury
21 mentioned, we had a couple of other thoughts, but
22 we can pass those on to you offline.

1 MR. SAMS: Sure. Thanks very much for
2 your assistance.

3 MR. WELCH: Sure.

4 MR. SAMS: Are there any other questions
5 for me?

6 MR. SAMUELS: Any other questions about
7 the rule package? Well, the other issue I think
8 that we wanted to raise, and it probably is no
9 surprise to you, has to do with precedential
10 citable decisions, especially in view of the
11 decision. I'm probably going to get the name of
12 the organization wrong. Was it the Judicial
13 Conference or Administrative Conference that
14 basically came out with a proposal that all
15 decisions be citable from the Federal Courts? At
16 least I think that's basically what they said. In
17 view of that, I guess it's our feeling that the
18 Board, we'd like the Board to take a look at its
19 practice with respect to precedential decisions.
20 I know we've discussed this in the past, and we
21 understand the constraints and concerns. On the
22 other hand, I guess our sort of big picture view

1 is if it's appropriate for the Federal Courts,
2 then why isn't it appropriate for the Board? And
3 it sort of seems to us the burden should be on the
4 Board to justify to us why they should not go
5 along with what the Federal Courts are doing.

6 MR. SAMS: We were aware of that. To my
7 knowledge, the Supreme Court hasn't yet blessed
8 the recommendation.

9 MR. SAMUELS: That's true.

10 MR. SAMS: But they usually do, as I
11 recall. And if that's so, it will cause us to
12 immediately consider, first of all, how we're
13 going to handle Federal case precedent which
14 obviously will be affected in the Federal Courts
15 and then how we want to use our own precedent or
16 allow our own precedent to be cited. Obviously,
17 that would have a strong influence on any
18 decisionmaking that we would have on making our
19 cases, all of them, citable precedent.

20 MR. SAMUELS: So, I take from that
21 answer that you're open to considering, and indeed
22 you may be forced to reconsider --

1 MR. SAMS: Right, I think that's fair.

2 MR. SAMUELS: -- our position.

3 MR. SAMS: Yes.

4 MR. SAMUELS: Any other questions for
5 David regarding Board practice? Thanks, David.

6 We're next going to have a presentation
7 by the Chief Information Office, David Freeland,
8 who's right outside the door. David, for those of
9 you who just joined T-PAC, is a relatively new
10 addition to the PTO staff. I think he -- well,
11 he'll tell us. But I think he joined about a year
12 ago. David, welcome.

13 MR. FREELAND: Thank you.

14 MR. SAMUELS: I was telling the members
15 of the Committee exactly when you joined the
16 agency, and I couldn't remember exactly.

17 MR. FREELAND: Seven months, twenty-five
18 days, and about six hours and fourteen minutes
19 ago.

20 MR. SAMUELS: Okay.

21 MR. FREELAND: So, yes, I do know, a
22 little under eight months.

1 MR. SAMUELS: Well, thank you for
2 joining us. I think that the last time that you
3 made a presentation to T-PAC, you obviously were
4 then maybe into a couple of weeks of your tenure
5 at the agency and understandably wanted an
6 opportunity to sort of assess where things stood
7 and to get the lay of the land before making any
8 proposals for change and direction, or new
9 initiatives, and so on. I guess it was our hope
10 and expectation that today we'd hear from you as
11 to what your assessment is today of where things
12 stand with respect to trademark automation and
13 where you'd like to move it in the future. So, I
14 guess with that, by way of introduction, I'll turn
15 the microphone to you.

16 MR. FREELAND: Thank you. Most of my
17 assessments are going to probably be generic in
18 nature for all of my staff. I was hoping. I had
19 a couple of other people I was hoping to show up.
20 I think I mistakenly told them it was 2:30, but
21 one thing I'm lucky about is my deputy has been
22 brought on board Tuesday, so that has been for me

1 a major personal relief. Griffin Macy is the new
2 deputy that came on board.

3 (Discussion off the record)

4 MR. FREELAND: I'll hold off on the
5 intros until they get in here. There's really
6 two.

7 MR. SAMUELS: Sure.

8 MR. FREELAND: But I have my assessment
9 I can give you, I guess, hopefully in a nutshell.
10 The planning in general, strategic planning and
11 execution of plans was very poor. Poor
12 communications, both internal and external,
13 particularly in between my own shop where the
14 silos were built. The walls between the silos, or
15 the fiefdoms within my own organization were built
16 very strong, very high, and broad.

17 (Laughter)

18 MR. FREELAND: And it really put the
19 burden of communications for projects or
20 coordination upon the customer areas. And
21 Trademarks, and Gary, and others like that were
22 forced then to come in to get their project

1 successful. They were having to do a lot of
2 activities that they should not have had to do.
3 And I do appreciate all the hard work that
4 Trademarks has done. I mean they did it out of
5 their own survival, and I do apologize for all of
6 that, but we're working hard to deal with that
7 issue.

8 There's no quality focus. I'm concerned
9 with metrics programs, and focus on quality, and
10 what does the customer need and expect, and
11 mapping back, and making sure. That is the
12 general concept that has not been really pushed on
13 or moved forward.

14 Budget accountability, that was one that
15 was hammered on me from the first day I entered in
16 the door, that we want to make sure that money for
17 Trademarks projects are appropriately spent on
18 Trademarks projects and that you're getting the
19 benefits that you're expecting and paying for.
20 But we've had a very difficult time in the past on
21 being accountable in that area. And I'll go
22 through exactly what I've done for each of these.

1 Management accountability: Very, very
2 poor. We seem to, in general, have perfected the
3 art splitting up functions to the point where no
4 individual is ever responsible for the outcome,
5 except for me. I found that --

6 (Laughter)

7 MR. FREELAND: My story is I am the
8 first management layer within my organization that
9 has the overall responsibility for any major
10 service that we provide. And then, what that does
11 is drag me into day-to-day operational issues and
12 trying to manage those, and that is inappropriate
13 for my position. Apparently, my management team
14 in the past had been masters at figuring out how
15 to not be accountable.

16 (Laughter)

17 MR. FREELAND: I ought to write books on
18 it because, boy, it's an interesting thing.

19 The other one is poor skills and
20 knowledge management. Another big concern of mine
21 is the amount of core, key knowledge on who our
22 systems work and interact. So that, if we go in

1 and touch one thing and make a change, is it
2 possibly going to break something way over here?
3 We seem to have thought that we could outsource
4 that knowledge to our vendor community, and I'm a
5 little concerned about that. We need to be able
6 to know, do the analysis, know when we're getting
7 good quality back, be able to manage that quality.
8 And the way that it's currently set up, I've been
9 held hostage a couple of times, going: You have
10 to sign this multi-hundred thousand dollar tax
11 order. If you don't, we're going to lose the
12 knowledge. Well, what are they going to? Well,
13 we don't know what they're going to do, but if we
14 don't sign this, they're going to walk. I really,
15 really hate that. And so, that's another thing
16 that we're going to be focused on.

17 But the one positive, and I must tell
18 you this, is that I have found at the lowest staff
19 level, I have found a lot of good people down
20 there that are able to do the job. They're just
21 operating in a leadership vacuum right now and
22 really struggling because we seem to have pushed a

1 lot of responsibility onto them, made their jobs
2 almost impossible to be successful in, with no
3 support from up top. And that's where a lot of my
4 focus is going to be over the next coming months.

5 I have slides, I think, that are in
6 there, but I can talk to you a little bit about my
7 priorities for 2006. To deal with like the
8 project management, project planning efforts, the
9 issue that I saw where there was a lack of
10 strategic planning or where we're going to go with
11 each of our systems. For me, it's very important
12 that we know each one of my systems that we
13 operate for you, and for Patents, and for
14 everybody else; that we understand fully about
15 where it's at in its life cycle for the next, for
16 its entire life cycle; that we know what parts
17 we're to replace, when; what the overall strategy
18 is; when we're going to go in there and replace
19 this; when we're going to upgrade this; replace
20 all the hardware on years four, five, and six that
21 are out. Those types of activities or that type
22 of planning has not been well done.

1 I'm a little concerned with that we seem
2 to be very, very good at coming up with a budget
3 project, a list of projects. We seem to have a
4 lot of projects that come up when we go through
5 our budget cycle, but they don't seem to be the
6 ones that we actually execute. This gets back to
7 the budget accountability issue, or the strategic
8 planning, or the planning functions, which we have
9 got to spend a lot of time in correcting this
10 year. But one of the things that we are going to
11 be working on in '06 is coming up with that
12 overall strategy for TEAS, TIS, and Madrid. Right
13 now, Gary has gone through a lot of effort working
14 with staff on our part on coming up with a TIS
15 strategy document. It's in a draft form at this
16 point, but it's the first step at going through and
17 starting to map out where are we going to go, and
18 take all these systems, and then start planning it
19 out for multiple years, so that we can actually
20 manage and run to those project plans.

21 Another major activity, or project, or
22 focus that we have is continued support and

1 improvement of the work at home program.
2 Trademarks has been a pioneer and a leader in the
3 work at home at USPTO, and I definitely want to
4 continue that support and make it simpler. One of
5 the factors or issues that was raised to me when I
6 got here was that it does go down; that there are
7 problems with the system; and that when they call
8 in, that the staff that they talk to are not
9 always knowledgeable enough in those areas to be
10 able to be responsive. That concerns me a great
11 deal, and we're definitely going to go through and
12 figure out how to support that much better this
13 year. That is a big focus for us.

14 Another area is working on -- it has up
15 there Integrated Solutions. It's not really
16 integrated; it's more enterprise, meaning we have
17 enterprise tools here, but we seem to go off and
18 reinvent the wheel whenever possible. Sometimes
19 that's a good idea where you do it out of
20 necessary because the requirements are so
21 different, and that's appropriate; other times
22 it's not. Even within other parts or business

1 areas that I support, they repeat the same thing
2 over, and over, and over. Very, very expensive.
3 It increases my operating costs significantly in
4 maintaining all of those different environments.
5 It also makes it more difficult when we want to
6 implement a change that if we touch it on one
7 thing, that it's going to more likely affect some
8 of the other things very negatively. It really
9 has a major impact on our availability in keeping
10 it up. Again, another major effort that I want to
11 hit is simplicity or reduce the complexity of our
12 operating environments because they, right now,
13 are just way, way, way too complex. We need to --
14 I like very, very -- I like simple, elegant
15 solutions. I'm not into building an empire of how
16 much hardware servers I have, or how much money I
17 spent on operating costs. In fact, I think the
18 smaller, the simpler, the better. And I think
19 when you do that, you have a greater likelihood of
20 improving your performance and up-time, and having
21 less of an impact on the examiners.

22 And the last one on that page was

1 improving the OCIO Disaster Recovery Plan. That
2 is another area that has concerned me, that we
3 don't have a very strong plan right now, that if
4 we had a significant outage in this complex for an
5 extended period on what we would do. We do backup
6 all of our data. It all goes offsite. We have
7 access to everything. But the recovery time if we
8 had a catastrophic problem here, it would be
9 rather devastating for us, and that is an area
10 that I have very strong opinions on of where I
11 want to go with the disaster recovery. There are
12 many things that we can do that will greatly
13 improve our availability and reduce impact on
14 examiners in case we have problems with power or
15 whatever in this complex. So, it's something I
16 want to work on.

17 Performance metrics have always been or
18 have been a significant issue from the point that
19 I got in here, or I've been hearing quite a bit
20 about it. One of the problems that I have seen,
21 though, is that the performance metrics that OCIO
22 measures are the ones that are easiest, easy for

1 us to deal with but mean very little to you, or to
2 Trademarks, or Patents for that matter. And we
3 definitely need to work on that issue. The ones
4 that are easy for an IT organization are
5 availability, capacity, and performance. But the
6 problem with availability is just because it's up
7 doesn't really mean it's working well for you.
8 There are different things in there that you can
9 really look at those numbers. We don't have
10 service level agreements in place in all of these
11 metrics, and that's a problem. Plus, I don't
12 believe in all cases that we're actually managing,
13 or monitoring, or we're tracking the right things
14 that are of importance to Trademarks area.

15 Capacity is an area. Tracking our
16 growth potential, that's an area that we have to
17 do well because, as we add workers or add more
18 workload, we have to make sure that we're going to
19 be good there. But that has not been an area that
20 we focus on. We have been reactive. We deal with
21 performance very well. We know how much it's
22 being impacted today, but we've had a very

1 difficult time on focusing on tomorrow, or next
2 week, or next year, and that's an area where we
3 absolutely are going to be working on this year as
4 well.

5 On the next one, we talk about our
6 different systems and some of them, the different
7 metrics that we have put in there. Very, very
8 successful. The TEAS system, electronic
9 application system: 91 percent of September's
10 apps were submitted electronically through the
11 internet. Trademarks has definitely been the
12 shining example of what you can do with e-Filing,
13 and we talk, Patents knows, whenever we can on
14 that one. So, that's been pretty fun on that
15 side, but it's definitely been the inspiration on
16 what should be expected or what we should be
17 expecting across the board. Several of the
18 projects that staff had already been working on
19 this year, TEAS Plus, has significantly raised
20 those numbers because of the additional forms that
21 were put out there. That's very positive, and I
22 believe we'll be continuing to look wherever

1 possible to try to raise those numbers even
2 further.

3 I am a little concerned on TEAS with the
4 98.5 percent for September, the availability
5 there. I walked in here, and some people who
6 aren't familiar with automation systems: 98
7 percent, that sounds like a high number; that must
8 be good. Well, I'm here to tell you 98.5 percent
9 is pretty poor. You should be expecting 99.5,
10 99.8, 99.9 type availability, particularly on
11 stuff that is as key as a front end to the public
12 for TEAS. Now, I do believe that most of the
13 issues with the TEAS system in the last few
14 months, particularly September, that may have
15 affected it were we had problems with a subsystem
16 that it caught on making payments. But what good
17 is having TEAS up there if you can't make the
18 payment to file the application? So, the whole
19 thing has to work well. Thankfully, we are
20 tracking, I believe, the overall number. That
21 would have been very deceptive had we been saying,
22 TEAS is working great, it's that other system, and

1 not been tracking that. That wouldn't have -- so
2 I'm pleased. I don't think we're doing that, so
3 that's good. But we definitely need to be going
4 through and finding all of these spots, these soft
5 spots in our operation and figuring how to improve
6 those.

7 On the search side, I think this is an
8 example of what does this mean. Yes, so, we ran
9 176,000 transactions doing searches on availability,
10 trademarks. That is a measure or an amount of
11 something. But frankly, what does that number
12 mean as far as being successful in processing
13 applications for the trademark business? This is
14 something easy for us to track, but I'm concerned
15 that we may need to have it. And it's an
16 interesting number to see how many times that we
17 do these searches, but I think there are some
18 things that may be a little bit more important
19 like: How many searches did we do per application
20 to get it processed? How much does a transaction
21 search cost us? Measure that and keep tracking
22 that. How many times does a searcher have to

1 reexecute because they didn't, it wasn't easy for
2 them to operate, and looking for those types of
3 things? I think we're measuring what's easy for
4 us but not necessarily what's best for how the
5 business operates. I think that's an area that
6 we're going to be spending over this year, working
7 on performance metrics and what the appropriate
8 business metrics are too, and see how we can marry
9 those two up.

10 Transaction counts are definitely up.
11 Again, I'm not sure if that's good or bad. Maybe
12 it tracks with the number of applications that we
13 receive. I'm not sure but something definitely
14 that we need to look at. On the next page, on the
15 TradeUp systems, it's the same thing. Number of
16 applications processed increased 8 percent. So,
17 we can track those types of things. On TRAM, same
18 thing, with almost three million transactions
19 processed in .3 seconds which is pretty fast. Does
20 it meet our service level? Well, yes and no.
21 It's a pretty good number, but I don't think we
22 have a service level agreement we can use. I

1 don't know if it meets it or not.

2 The future steps or main areas that I
3 need to really focus on is on that last page, on
4 the next one. We have to work on an activity-
5 based costing model. We've been very successful
6 in hiring a budget and finance individual who's
7 leading that effort for me. He came out of the
8 private sector, very strong, worked with a \$1.5
9 billion budget, very profit-motivated, understands
10 on how to manage budgets at this level and track
11 down the cost to the component pieces, and being
12 able to manage and report accordingly. He is also
13 helping us drive toward -- he is a fanatic when it
14 comes down to making sure that the finance, the
15 financial aspect is being able to drive it back to
16 business value. So, when it comes to cost per
17 search, or cost per application, or those types of
18 things that may truly have meaning within the
19 trademark business area, those are the things that
20 we're really trying to focus from that aspect.
21 This is definitely going to help us, I think, with
22 our budget accountability issue.

1 The second one, implementing an OCIO
2 metrics program, yes, we need a metrics program.
3 We need to identify what's important to you. We
4 need to identify what's important to the IT shop.
5 We need to figure out how to do both of them. We
6 need to report on them. We need to set the
7 service level agreements in place. This is not
8 easy stuff, but we have got to start working on
9 that and getting that done. Because how do we
10 know what area to improve on, or what area really
11 needs attention without being able to measure it
12 and look at it?

13 That's pretty important to me. My past
14 organizations have had strong metrics programs in
15 place, and I view those as major management tools
16 on helping me figure out where I need to spend
17 resources. I need to know things like how many
18 defects am I having per system, and I need to know
19 where the defects are occurring. Are they
20 happening after we deploy it, or before? If
21 they're happening after we deploy it, we
22 definitely have issues with our whole testing

1 program, with our business requirements, our
2 validation. There are so many issues all along
3 that place that I need to know about. And,
4 unfortunately, I do believe that we have issues or
5 implemented a few systems in the last seven or
6 eight months since I've been here that had quite a
7 few issues noted in the first two or three months,
8 and that's not good. That shows that we have some
9 major, major quality issues along the way, but we
10 should be measuring those, and we should be
11 driving it back.

12 I also need to know how many systems
13 have the greater number of defects because that
14 ought to be driving my maintenance dollars,
15 meaning I ought to be putting my maintenance
16 expense budget where it's going to do us the most
17 good. What systems have the greatest downtime
18 because that's where I need to be spending the
19 most amount of my time to keep examiners up and
20 running and supported. Those numbers, we
21 absolutely have to start tracking and keep that
22 up. So, we'll be spending quite a bit of time on

1 that area as well.

2 The Program Management Office, I was a
3 little bit surprised that we didn't already have
4 one when I stepped in the door. That's a basic
5 for me in managing projects and making sure that
6 we have a group that's going through the right
7 steps, that is tracking the budgets, and is doing
8 all the right things there. For me, I have a lot
9 of high expectations for what that group is going
10 to do for us, and I think we are creating that now
11 and moving forward with it as quickly as we can.

12 And the last one is a major culture
13 shift, where I have got to get that resounding, I
14 mean I have to make sure that every one of my
15 people in my organization knows that they're not
16 successful unless Trademarks is successful, or
17 Patents is successful, or Corporate, or whatever
18 the appropriate business areas that we're
19 supporting. It's just my firm belief. Who cares
20 whether you have an IT shop or not. It's really
21 the business side. We're here. We're a tool to
22 help you achieve what you need to do in the

1 trademarks side, and I've got to get my staff to
2 understand that better and to make that
3 transition.

4 There are a couple of other little
5 things that we're going to be working on with
6 respect to my organization. I'm in the middle of
7 a reorganization right now, primarily at my
8 management level. That was the area that I had
9 the most significant issues. OMB approved it. It
10 is now at Congress. The Appropriations Committees
11 are taking a look at it, and I'm hoping to get an
12 answer from them very soon. Skills management and
13 individual training plans for my people to regain
14 that knowledge that we lack. I've talked about
15 that a little bit. That's definitely key to move
16 along. And I already talked about simplifying,
17 making things less complex, trying to get the
18 functionality you need out there in a simpler way,
19 so that we can keep it up and running and help
20 you.

21 That was really my presentation. I'm
22 where I'm trying to focus right now. I know most

1 of this is fairly generic, but it's the areas that
2 I'm really needing to focus on rights now to get
3 the organization to be more responsive to your
4 needs.

5 MR. SAMUELS: Thank you, David. I
6 appreciate that. It maybe accurately
7 characterizes, a depressing but in all likelihood
8 honest assessment as to what's going on in your
9 operation. But I guess I would add that probably
10 just in your willingness to take an honest
11 assessment of where things stand, you're probably
12 light years ahead of some of your predecessors.
13 So, we thank you for that.

14 MR. FREELAND: Well, I have found that
15 Lynne is not bashful in sharing with me her
16 thoughts.

17 (Laughter)

18 MR. FREELAND: And actually, it's been
19 much for the good. I believe that we do have it
20 good. We're able to come and talk to each other
21 about these issues, and I'm very open to her
22 comments, and I'm not constrained to comment back.

1 So, it's going to be a team effort on getting us
2 to where we need to be.

3 MR. SAMUELS: Understood. So, is it
4 premature then to be discussing sort of what's
5 down the road from the standpoint of trademark
6 initiatives, or are you willing to give us a look
7 into what's ahead?

8 MR. FREELAND: With respect, I do have a
9 few items that I can talk to you about. TEAS, for
10 example, I've got quite a few for TEAS. I have
11 not done as much. Well, on TIS, I talked about
12 that earlier. We're looking at coming up with the
13 strategy for the TIS Batch 2.0 type areas, where
14 we're going to go with TIS. And I'm hoping that
15 we can get that timeline established in the next
16 probably quarter, next three months or so, and
17 then start working down that path. On the TEAS
18 efforts, we have quite a bit this fiscal year,
19 working on basically adding quite a few new forms,
20 adding PDF files to be accepted, moving along in
21 those directions. So, generally, that's really I
22 think quite a few things that we're going to do in

1 that area. I don't have a lot of specifics on any
2 of the others, but I think as we get a little bit
3 more on the way, when I get the planning side a
4 little bit more established, then we can start
5 pulling that information a little more easily for
6 you.

7 MR. SAMUELS: Okay, fair enough. Any
8 questions for David?

9 MR. FREELAND: I did want to introduce
10 my staff.

11 MR. SAMUELS: Please do.

12 MR. FREELAND: Griffin Macy is my new
13 deputy. He started last Tuesday.

14 MR. SAMUELS: Welcome.

15 MR. FREELAND: So, I am very happy to
16 have him on board. And Kay Melvin, who many of
17 you may or may not know, she is going to be
18 helping me in one of the key areas. I told you
19 about the issue about the customers having to
20 coordinate activities. Kay is on board with me to
21 help stop that, to establish our own coordination
22 internal to our shop, and help me build that

1 customer relation area to support that function.
2 So, two very, very key people producing or
3 supporting Trademarks in the future.

4 MR. SAMUELS: Great. Maury?

5 MR. TEPPER: David, thank you. Just a
6 quick comment on this one thing to pass back to
7 you. And, by the way, it's nice to hear someone
8 use the word TIS out loud again. It's not been
9 lost. It's been sort of on hold.

10 (Laughter)

11 MR. TEPPER: I do agree with you that
12 you have a commissioner who is not shy about
13 bringing to you the needs of the user community
14 and her customers. I'll tell you as someone who
15 has come in from the user side too, though, you
16 have a very strong advocate in Lynne, and I trust
17 you know that.

18 MR. FREELAND: Yes.

19 MR. TEPPER: It has been frustrating for
20 those of outside in the community, especially
21 those who don't understand the workings of the
22 office as much, to figure: Well, why can't they

1 fix this, or why doesn't that work? I'm very
2 encouraged by what I hear today. I think you've
3 been doing all the right things. And just as a
4 point of understanding, I think it is certainly
5 time to move on some of these projects, and
6 concrete things like adding PDF attachments to the
7 TEAS forms will go a long way. The numbers speak
8 for themselves. It's great that we've achieved
9 that level of use and utility. In order for that
10 to remain and to be maintained, we're going to
11 need to continue to see enhancements. Craig
12 Morris was in earlier. I mean you've had lots of
13 great support from Trademarks, Craig being an
14 advocate and really being the face to the user
15 community, and helping explain, and get
16 comfortable with it. And Lynne's been sort of
17 taking up and letting us know the necessity of
18 going through the process. But I would just like
19 to add our encouragement to bringing some of these
20 initiatives forward and trying to make sure that
21 we keep users happy and coming back to the system,
22 so that it doesn't become a static thing, and we

1 don't want to see a falloff or decay in use.

2 MR. FREELAND: Thank you. I appreciate
3 that.

4 MR. SAMUELS: Thank you, Maury. Debbie,
5 come on up here.

6 MS. COHN: Thank you. David, I wanted
7 to reiterate something that you mentioned earlier,
8 and that has to do with helpdesk support,
9 particularly for trademark work at home, and I
10 think this issue was brought up a year or so ago,
11 maybe a little more than that, by this group. And
12 the question was whether we could have separate
13 support for Trademarks. I don't know whether
14 that's a viable option, but I would ask that
15 possibly that issue could be revisited. We did
16 get some pretty expensive proposals. I don't know
17 whether they were on the money or not, on the
18 mark, but that is possibly something that could be
19 looked into.

20 MR. FREELAND: Okay, we'll go through it
21 and look at it, at the options, revisit that.

22 MS. COHN: Yes, because that really is

1 probably the number one frustration among our work
2 at home attorneys, is calling the helpdesk and not
3 having recognition of the system that they're
4 working on. I forget what the number was.
5 Sixty-something percent of our attorneys are
6 working at home. It's a little silly not to have
7 our helpdesk support immediately know what the
8 problems are and how to fix them.

9 MR. FREELAND: That's something we'll
10 focus on.

11 MS. COHN: Thank you.

12 MR. FRIEDMAN: Just a follow-up on that.

13 MR. SAMUELS: Howard?

14 MR. FRIEDMAN: Thank you.

15 Unfortunately, the follow-up went: Debbie said
16 not every problem can be fixed by rebooting. It
17 sometimes works, but often, it doesn't. And I
18 would just sort of add one other thought to what
19 Debbie said. Whether you're working at home or
20 not and working here fulltime, I can think of no
21 better way than to meet the last goal of having
22 your success directly related to the business

1 success than having people answering the phone who
2 help, who know the business, know what examiners
3 do, and can quickly solve the problem so we can go
4 back to solving the problems of the business. So,
5 Debbie is indeed right. It was raised by this
6 group the first time you came, and I guess one of
7 the benefits of having children is it gives me the
8 ability to keep raising the same issue over and
9 over again. So, that's what I'm going to do. And
10 whatever you can do to devote resources, and
11 people, and time, and I know Lynne is a very
12 strong advocate of this, as is Ron and Debbie,
13 whatever you can do to devote time and resources
14 to people who understand, and know our business,
15 and understand how we can be productive by fixing
16 those problems and fixing them quickly would be
17 very appreciated. And whatever we can do to help
18 you in that regard, we're willing to do.

19 MR. SAMUELS: Joshua?

20 MR. ROSENBERG: Thanks for your
21 presentation. It was actually very refreshing.
22 But another question I had was the tools that are

1 currently available in the library, is there still
2 an initiative to bring them to the web or not?
3 There are certain tools that are not available to
4 the public, right?

5 MR. FREELAND: Right, that I do
6 understand.

7 MR. ROSENBERG: Okay. So, the question
8 is are you planning on making them available?

9 MR. FREELAND: I don't have specific
10 projects that I'm aware of that we're just going
11 to turn them all loose on the web. Kay, do you
12 know? I don't think so, that we have. We're
13 looking, as we build new projects, what's
14 available out there and what's going to be put on
15 the new projects, but those are functions that
16 we're working with Trademarks on and which ones we
17 should be doing.

18 MR. ROSENBERG: You do support several
19 satellite offices.

20 MR. FREELAND: The Patents/Trademarks
21 Depository Libraries?

22 MR. ROSENBERG: Things like the

1 Sunnyvale Library Office and so forth --

2 MR. FREELAND: Okay, I see.

3 MR. ROSENBERG: -- which does help. It
4 means you don't have to fly to Washington or hire
5 one of these expensive lawyers. So that, from the
6 California side, it's a use. So, I would say that
7 I'd like to see more things go onto the web to
8 avoid that. I don't know, or the support of more
9 satellite offices, one or the other.

10 MR. FREELAND: I know that we need to be
11 working with Trademarks with Lynne and her staff
12 on as we go through the management of each of
13 these systems in the future, what functionalities
14 should be going in and when, and start making that
15 happen. So, we need to be working with Trademarks
16 on that issue. So, if you have, I guess, I'm sure
17 you're letting Lynne know that you would want
18 those functions set up there.

19 (Laughter)

20 MR. SAMUELS: Anything else? Thank you,
21 David.

22 MR. FREELAND: Thank you for your time.

1 MR. SAMUELS: Okay, the next item on the
2 agenda is budget, and I am advised that we need to
3 go into closed session because the issues that we
4 are going to be discussing are not yet public.
5 So, I guess I have to ask those who are members of
6 the public to leave at this point and just have
7 the members of T-PAC and agency employees remain
8 in the room.

9 (Whereupon, at 2:48 p.m., the
10 PROCEEDINGS were adjourned.)

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